

FACES OF AUSTERITY:

How Budget Cuts Have Made Us Sicker, Poorer, and Less Secure

NOVEMBER 2013

















In Washington, lawmakers and wonks think about budgets in terms of numbers, dollar signs, and decimal points. But beyond the Beltway, there are faces behind the numbers. Even seemingly "small" changes in federal spending can have a big impact on Americans who rely upon and benefit from federally funded programs.

Indeed, a 5 percent cut to a federal program—as was required in the first year of federally mandated "sequestration"—translates into a much bigger cut on the ground. Federal contractors, grantees, and program beneficiaries must also cope with the cumulative effects of the federal government's austerity measures, the erosion of the state and local funding base, and constrained contributions by the private and philanthropic sectors. They are, in fact, doing much more with much less than is recognized or reported.

Thus far, the true impact of austerity has been masked behind the numbers. You have to talk to Americans, face-to-face, if you really want to understand the effects of budget cuts. Faces of Austerity: How Budget Cuts Have Made Us Sicker, Poorer and Less Secure tells the stories of those who've been impacted most

by Washington's failure to preserve the programs that keep us all healthy, safe, and educated. It is the product of months of work on behalf of hundreds of organizations representing millions of Americans nationwide.

The report provides the first ever comprehensive snapshot of austerity's impact across sectors—education, job training, public health, safety and security, housing, science, natural resources, infrastructure, and international affairs. It features more than 40 distinct stories of individuals living with federal budget cuts in 22 states, nationwide, and even overseas.

While each individual's story is unique, there are three key lessons that emerge:

The cuts are deeper than you think.

When it comes to sequestration, we've all heard politicians and pundits say, "Who can't absorb a five percent cut?" As the stories in our report show, sequestration cuts much deeper—25, 50 and in some cases, even 100 percent—once the cuts ripple out into the community.

The cuts are unsustainable. Those featured in our report say they've been able to hold it together so far, but if the cutting continues—as is scheduled to happen if lawmakers don't intervene—there will be real and lasting damage, including complete elimination of programs, projects, and services.

The cuts lead to lost opportunities.

There are real opportunity costs of federal budget cuts. The eroding disease surveillance infrastructure. The antiquated weather satellites. The student turned away from a career in science. The insolvent highway trust fund, and crumbling roads and bridges. The baby who wasn't screened for SCID because the state can't afford it.

This report will provide much needed context for ongoing budget discussions. We hope Congress and the White House will remember the faces from this report—and the faces of millions of Americans not featured here—as they work together to balance the federal budget in a more balanced and responsible way.

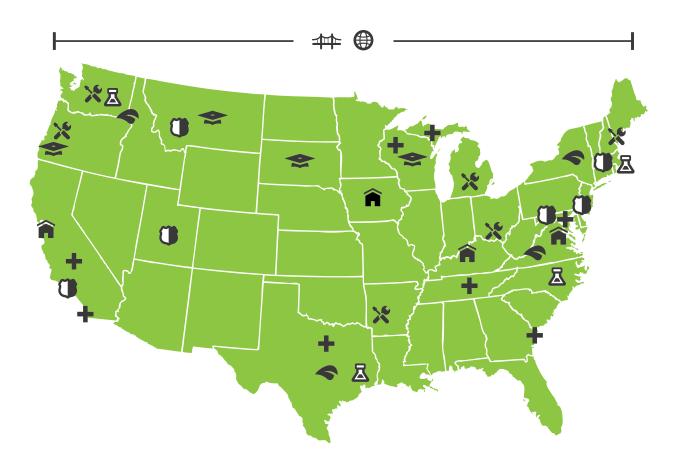


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The Congress shall have Power
To lay and collect Taxes, Duties,
Imposts and Excises, to pay the
Debts and provide for the
common Defence and general
Welfare of the United States;



The United States Constitution
ARTICLE 1, SECTION 8



Cutbacks from sequestration have cost 129 people their jobs at the Huntsville-based company that provides janitorial and grounds keeping services at Redstone Arsenal.

[ALL ALABAMA, 6/18/2013] ALABAMA

The impact of sequestration continues to hit close to home, with Aerospace Testing Alliance (ATA) announcing Monday that it will need to eliminate 128 jobs at AEDC in response to deep cuts in federal funding.

[THE TULLAHOMA NEWS, 3/26/13] TENNESSEE

TAC Industries has laid off 17 employees due to contract cuts and the impending loss of more contract money from sequestration.

[SPRINGFIELD NEWS-SUN, 3/14/13]
OHIO

Intelligent Software Solutions Inc. laid off 40 employees after funding under an Air Force Research Laboratory contract was delayed because of automatic federal budget cuts known formally as sequestration.

[THE DENVER POST, 3/19/13] COLORADO

Maryland lost about 21,000 jobs as a result of the automatic federal spending cuts known as the sequester, state officials say, and they expect another 4,000 federal positions to evaporate over the next two years.

[BALTIMORE SUN, 9/27/13] MARYLAND

We need to work together — as an innovation community — to battle the single biggest threat to our future success. And that is the drastic federal budget cuts known as 'sequestration, -Mit President Rafael Reif

[BOSTON HERALD, 3/19/2013] MASSACHUSETTS

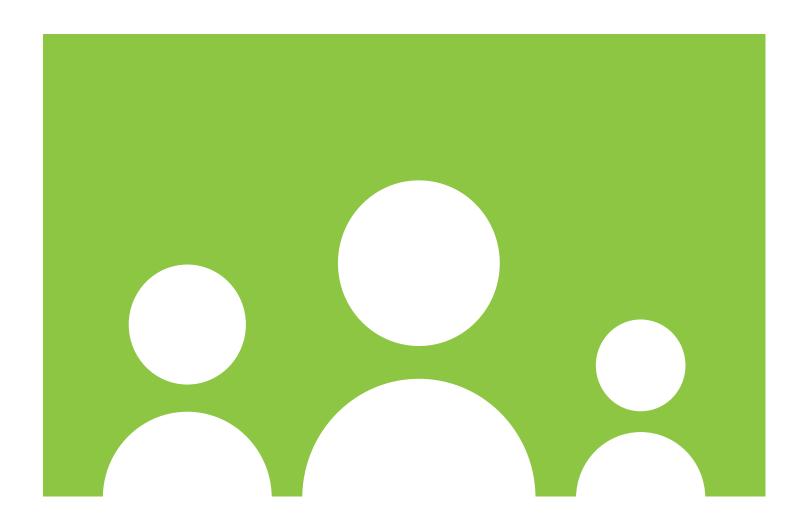
The full ranges CBO uses for those parameters suggest that, in the third quarter of calendar year 2014, real GDP could be between 0.2 percent and 1.2 percent higher, and employment 0.3 million to 1.6 million higher, under the proposal (repealing the sequester) than under current law.

[CBO LETTER TO CHRIS VAN HOLLEN, 7/25/13]

Policymakers' main challenge is to support the recovery while addressing the vulnerabilities that threaten growth, public finances, and financial stability in the medium term. In staff's view, a desirable policy strategy to deal with this challenge includes the following ingredients: Repealing the sequester and adopting a more balanced and gradual pace of fiscal consolidation in the short term...

[INTERNATIONAL MONETARY FUND, 6/14/13]





WHEN YOU CAN'T GO IT ALONE

The Founding Fathers granted Congress the power to collect taxes to provide for the "general welfare" of the United States. As the size, economy, and complexity of the United States expanded, so too did the federal government's roles and responsibilities in protecting Americansproviding for societal needs when the market does not and when individuals are unable to address these needs themselves. Using taxes paid to the Treasury, the federal government built an interstate highway system, connecting Americans across the country and funded research that led to the development of the Internet, connecting us to the rest of the world. It invests in education, the foundation of economic opportunity. It protects our safety and security, in daily living and times of crisis. It invests in medical research to discover new cures that save lives. It provides training to an unemployed worker and a warm meal

to a homebound senior. It provides a basic infrastructure that supports our modern way of living. Indeed, the taxes the federal government collects from us come back to us and our communities in many ways that make our society stronger and fairer.

The federal government does all this and more in the background every day, and thus we often take it for granted. As you prepare for work in the morning, you may not stop to realize the federal government makes sure the water you use to brush your teeth is safe. You don't think twice about whether or not your breakfast will make you sick, because the federal government is monitoring the quality of eggs, bacon, orange juice, and coffee beans. As you commute to work, you may not notice that the bus or train you ride is funded by federal subsidies and grants. Or that the federal investment in your education and job training may have helped you qualify for your job. Once at work, you are free from unsafe conditions because the federal government sets basic safety standards for your workplace and holds your employer accountable to them.

A DAY IN YOUR LIFE

Whether or not you realize, you and your family benefit from NDD programs every day.



You head into the kitchen to scramble eggs for breakfast - NDD is safe food.



You take your medication for blood pressure - NDD is drug discovery and safety.



One of your children attends public school and another has financial aid to pay for college - NDD is education and college access.



You see news reports of the FBI thwarting a domestic terrorist plot - NDD is public safety.



At the airport, you pass through security and board your plane, which takes off, flies, and lands safely - NDD is security screening and air traffic control.



You turn on the tap for a glass of water - NDD is clean water.



You check the weather report and it calls for rain, so you grab your umbrella - NDD is the National Weather Service.



You ride the subway to work - NDD is public transit.



You use the Internet to check into your flight online - NDD is technology.



You enjoy visiting Mount
Rushmore on a family vacation
- NDD is the National Park Service.

NDD: IMPROVING EVERYDAY LIVES OF EVERYDAY AMERICANS

When lawmakers and policy wonks in Washington talk about how and on what your taxpayer dollars are spent, they generally think in terms of two types of programs—"mandatory" and "discretionary." Mandatory programs include Social Security, Medicare, Medicaid, and Supplemental and Nutrition Assistance Program or SNAP (formerly "food stamps"). The funding for these programs generally flows automatically and is not determined by annual appropriations bills. Funding for discretionary programs is set each year through the annual budget process. That is, Congress retains complete discretion, or choice, each year on whether and at what level to fund programs in the discretionary category. But these programs are far from dispensable.

Discretionary programs are generally described as: "defense discretionary," which includes the Pentagon's budget and related military programs; and "nondefense discretionary" or NDD, which includes everything else. NDD programs include core functions the government provides for the benefit of all, including medical and scientific research; education and job training; infrastructure; public safety and law

enforcement; public health; weather monitoring and environmental protection; natural and cultural resources; housing and social services; and international relations. Every day these programs support economic growth and strengthen the safety and security of every American in every state and community across the nation. NDD programs support our economy, drive our global competitiveness, and provide an environment where all Americans may lead healthy, productive lives.

These programs help the federal government fulfill the Constitutional obligation to "provide for the general welfare of the United States."

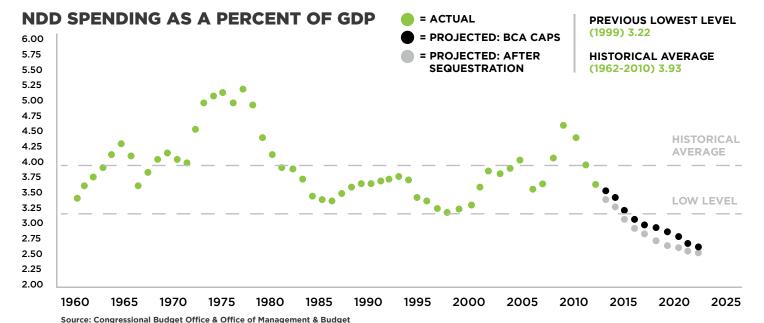
NDD PROGRAMS COST LESS THAN YOU THINK, AND ARE SHRINKING

Despite the vast array of important services provided through NDD spending, it remains a small and shrinking share of the federal budget and our overall economy. Historically, NDD represented less than one-fifth of the entire budget, and less than 4 percent of the country's economy (gross domestic product or GDP).

NDD has been cut dramatically and disproportionately in recent years as lawmakers work to reduce the deficit, even though experts agree these programs—which are shrinking as a share of our economy — don't contribute to our nation's mid- and longer-term debt problem.

Between fiscal years 2010 and 2011, NDD programs were cut by 7 percent on average, with cuts to some programs deeper than 50 percent. Major deficit reduction legislation that was enacted in 2011, known as The Budget Control Act, established caps restricting how much funding Congress could allocate to discretionary programs each year over the next decade. As a result, by 2023 these caps will cut \$1.6 trillion from defense discretionary and NDD programs combined, relative to the inflationadjusted 2010 funding levels. By fiscal year 2017, NDD spending will equal a smaller percentage of our economy than ever before, with data going back to 1962.

The Budget Control Act also directed a congressional Joint Select Committee on Deficit Reduction to identify an additional \$1.2 trillion in budgetary savings over ten years. The Budget Control Act included a provision that called for automatic cuts in both defense and non-defense programs — called sequestration — if the Congress did not reach an agreement on this level of deficit reduction. The failure of this bi-partisan "super committee" to come to an agreement on a balanced, meaningful deficit reduction plan triggered



NDD OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

2013

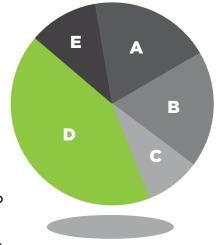
A) TOTAL NDD **16.9**%

B)
DEFENSE
DISCRETIONARY
18.2%

C)
NET INTEREST
PAYMENTS
6.45%

D) SOCIAL SECURITY, MEDICARE, MEDICAID 45.73%

E)
OTHER ENTITLEMENT
PROGRAMS
12.72%



2021

A) TOTAL NDD 12%

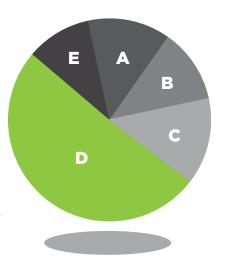
B) DEFENSE DISCRETIONARY 11.86%

C)
NET INTEREST
PAYMENTS
13.46%

D)
SOCIAL SECURITY,
MEDICARE, MEDICAID
51.18%

E)
OTHER ENTITLEMENT
PROGRAMS
11.5%

Source: CBO May 2013 Baseline



Source: CBO May 2013 Baseline

sequestration for 2013 and 2014, and unless Congress changes the law, for every year through 2021.

In budgetary terms, to "sequester" means to cut certain federal programs across-the-board until a set level of spending (or cuts) has been reached. Sequestration led to even deeper cuts to both defense and non-defense discretionary programs (with some additional cuts coming from a specific set of entitlement programs, as well). These cuts are in addition to the \$1.6 trillion in cuts already sustained through the Budget Control Act's spending caps.

At the macro level, sequestration required an additional 5 percent across-the-board cut to NDD programs in 2013, relative to the funding level set by the Budget Control Act for that year. Over the next eight years, it will mean \$109 billion a year cut from defense and nondefense programs, with most of the nondefense cuts coming from discretionary programs. By the time the Budget Control Act expires in 2021, NDD will represent just 11 percent of federal spending, and 2.6 percent of GDP—the lowest level on record back to 1962—if lawmakers do not

act to replace sequestration with a more meaningful and comprehensive deficit reduction strategy.

CUTS HAVE CONSEQUENCES

These cuts—and sequestration particularly—have real consequences in the lives of Americans. Public services are cut, investment in research and technology is cut, and help for struggling Americans is cut. These cuts also affect the broader economy, reducing job growth and creating a drag on an economy still struggling to recover from the Great Recession. The economic impact is large enough that the International Monetary Fund (IMF) advised the United States:

Policymakers' main challenge is to support the recovery while addressing the vulnerabilities that threaten growth, public finances, and financial stability in the medium term. In staff's view, a desirable policy strategy to deal with this challenge includes the following ingredients: Repealing the sequester and adopting a more balanced and gradual pace of fiscal consolidation in the short term....





Here are examples of the ways in which sequestration in particular is negatively affecting the economy, jobs, and basic government functions.

IMPACT ON THE ECONOMY AND JOBS

While the federal deficit has contracted 38 percent in the first ten months of fiscal year 2013 relative to the same period in 2012, it has come at a price, iv The Congressional Budget Office (CBO) estimates that canceling sequestration for both fiscal years 2013 and 2014 "would increase the level of real (inflation-adjusted) gross domestic product ... by 0.7 percent and increase the level of employment by 900,000 in the third quarter of calendar year 2014." v Most of the job losses caused by sequestration are outside of government, though losses in public sector employment are significant. Goldman Sachs Research has projected that, through September 2013, there were 71,000 fewer government employees from just a year before and that assuming Congress did not cancel sequestration, that number would reach 100,000 in the coming months. vi

IMPACT ON STATE AND LOCAL GOVERNMENTS

States and localities depend on federal funds to help pay for NDD public services that are fundamental to state economies and to the quality of life in communities around the country. More than one-third of NDD funding that goes to states and localities goes to help educate children, and is especially important to children in high-poverty schools. Other NDD funds directed to states help pay for water treatment facilities, law enforcement activities, infectious disease surveillance, and nutrition for newborns. Federal funding for these services already has been deeply cut through sequestration and the spending caps established by

The Budget Control Act in 2011. For example, federal funding for Title 1—the major federal assistance program for high-poverty schools—is down 12 percent since 2010, after adjusting for inflation, and funding for education for students with disabilities is down 11 percent. Further, NDD cuts hit at a time when state and local budgets are still deeply damaged by the recession, making it a particularly difficult time for them to absorb additional cost shifts from the federal government.

IMPACT ON PROGRAM INTEGRITY

Sequestration cut funding for efforts the federal government undertakes to ensure that individuals and companies pay the taxes they owe, to root out Medicare fraud, and to ensure that individuals receiving disability benefits are reviewed periodically to see if they continue to meet the disability criteria. In all three cases, there is significant evidence that for every dollar spent, the federal government saves far more than \$1 by increasing tax collections, reducing fraudulent Medicare payments, and reducing disability benefits when individuals' health has improved. For example, funding for disability reviews reduces program costs by nearly \$10 for every \$1 spent, according to the Social Security Administration. vii The Internal Revenue Service (IRS) Oversight Board — charged with reviewing the IRS budget and offering recommendations to policymakers — has noted that investing in tax enforcement returns \$4 for every \$1 spent. viii Similar high rates of return have been documented for antifraud efforts in Medicare. ix For this reason, cutting funding for these program integrity activities actually increased federal spending and deficits because of unchecked waste, fraud, and abuse.

IMPACT ON GOVERNMENT PRODUCTIVITY

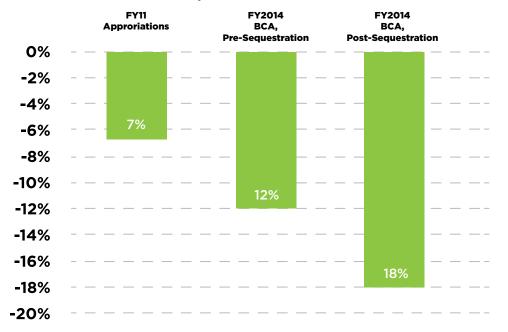
To spare the public from some of sequestration's impact, many agencies in 2013 absorbed the cuts in their own budgets, including money to be spent on new equipment, new hires, training, and travel-activities that may sound wasteful but are essential for agencies to effectively carry out their missions. According to the New York Times, most government travel budgets have been cut by 30 percent since the implementation of sequestration.x Because of these cuts, for example, the Office of the United States Trade Representative has only enough money to send a negotiator to one of the 41 countries accused of violating American intellectual property rights.xi Travel cuts have also created government inefficiency. One Air Force officer, stationed at the Pentagon, reported that, "Twice this year, he drove to Dulles International Airport, where he picked up a rental car and drove ten hours to a Tennessee airport." 650 miles away, in order to save travel costs. These hours spent travelling take away from the time spent carrying out missions.xii

IMPACT ON LOCAL BUSINESSES

Cuts to the federal government have a profound effect on local businesses. The O'Callaghan Annapolis Hotel reported that it has reduced its rates by 40 percent to remain competitive as fewer people visit the region. The Annapolis & Anne **Arundel County Convention & Visitors** Bureau did a study on the decreased traffic and found that the recent sequestration cuts were to blame. The Smith Travel Research study found hotel occupancies in the region were down 3 percent between May and July, and that June occupancy was off 4.5 percent, coinciding with the implementation of the cuts.xiii

Other effects on small business include cuts to grants from the Small Business Administration (SBA). The Mi Casa Resource Center in Colorado recently saw a 10 percent cut to its SBA grant. Last year, the Business Center helped

PERCENT CUT IN NDD PROGRAMS RELATIVE TO 2010 APPROPRIATIONS, ADJUSTED FOR INFLATION SOURCE: CBO



650 small businesses that generated \$10.1 million in revenue, accessed \$1.2 million in capital, and created 129 new jobs. This year it will be forced to cut the number of training sessions for entrepreneurs by half, limiting the number of people who can get the training they need to start successful businesses.xiv

No NDD program from education and job training, to public health and safety, to research and natural resources—is immune from these cuts, nor is any American. Whether or not we realize it, these cuts hurt us all. The stories in the pages that follow provide a snapshot of the breadth of austerity's impact in communities across the nation, hitting everyday Americans from all walks of life. These personal accounts demonstrate the value of NDD programs, and why austerity is simply unsustainable.

SOURCES

i There are a few discretionary programs that were exempt from sequestration cuts in 2013 (the first year of sequestration), such as Pell grants in the Departmen of Education and programs within the Veterans Administration. While most of the sequestration cuts come from discretionary programs, some entitlement programs — including Medicare — also were subject to sequestration. Social Security and most low-income entitlements, such as SNAP (formerly food stamps) and Medicaid, are exempt from sequestration. In 2014 and beyond, the sequestration cuts imposed on discretionary programs are implemented by lowering the Budget Control Act caps on defense and NDD funding discussed above. In these years, Congress could choose to cut Pell Grants or veterans' programs in order to comply with the reduced funding available because of sequestration.

ii Concluding Statement of the 2013 Article IV Mission to The United States of America, the International Monetary Fund, available at http://www.imf.org/external/np/ms/2013/061413.htm (accessed September 16, 2013)

iii How Eliminating the Automatic Spending Reductions Specified by the Budget Control Act Would Affect the U.S. Economy in 2014, the Congressional Budget Office available at http://www.cbo.gov/publication/44445 (accessed September 16, 2013).

iv Federal Deficit Slides \$366 Billion Through July, Treasury Says, CQ Roll Call, available at http://www.cq.com/alertmatch/194742569?uid=news-4332202 (accessed September 17, 2013)

v Congressional Budget Office, "How Eliminating the Automatic Spending Reductions Specified by the Budget Control Act Would Affect the U.S. Economy in 2014," July 25, 2013, http://www.cbo.gov/ publication/44445

vi US Daily: Sequester Effects Are Showing Up More Clearly (Phillips) (CORRECTED), Goldman Sachs, available at https://360.gs.com/research/portal/research/econcommentary/action=viewpage&st=1&d=15593750&portal.page.printable=true&isRouted=true (accessed September 17, 2013).

vii http://www.socialsecurity.gov/legislation/FY%20

viii http://www.treasury.gov/irsob/reports/2013/ IRSOB~FY14%20IRS%20Budget%20Report-052413.pdf

ix Binder C. Medicare Program Integrity: Activity to Protect Medicare from Payment Errors, Fraud & Abuse. Congressional Research Service, June 23, 2011

x U.S. Workers Are Grounded by Deep Cuts, The New York Times, available at http://www.nytimes. com/2013/08/19/us/us-workers-are-grounded-bydeep-cuts.html?pagewanted=2&_r=0&ref=todayspaper (accessed September 19, 2013)

xi Ibid.

xii Ibid.

xiii Anne Arundel Hotels Feel Sequester Effects, Captial Gazette, available at http://www.capitalgazette.com/news/business/anne-arundel-hotels-feel-sequester-effects/article_581fe03b-26c9-52f-b9b3-9f5e17c706d8.html (accessed September 19, 2013).

xiv Sequestration Dampens Hopes for Future Small Business Leaders, Huffington Post Colorado, available at http://www.huffingtonpost.com/national-council-of la-raza-/sequestration-dampens-hop_b_3901771.html (accessed September 19, 2013).



















Rivera [Superintendent of the Lancaster School District] isn't laying off any teachers this fall, but the district is down 110 teachers. Many have retired early and there's a hiring freeze, so classroom size has jumped to 30 kids or more per class in the early grades.

[NPR, 9/7/13] PENNSYLVANIA

The district lost an English proficiency teacher, a school social worker, a Head Start teacher, and a teacher's aide when sequestration cut \$400,000 from the school budget, according to Harrisonburg school superintendent Scott Kizner. The cuts come to a district where 70% of students qualify for a free school lunch, and more than 40% speak English as a second language.

[MSNBC, 9/2/13] VIRGINIA

Due to sequestration, instead of being able to hire quality math and science instructors — which it needs — [Fort Peck Community College] is struggling to keep its current faculty on board.... Sansaver said he does not yet know how many faculty members the college will lose in the upcoming school year, but he predicts Fort Peck will lose five. [INSIDE HIGHER ED, 8/27/13] MONTANA

Savann Guthrie, her husband Alex and their three kids have all been part of Petersburg's Head Start program, run by Tlingit-Haida Central Council, for years...Back at the Guthrie house, Savann is thinking about sequestration's impacts. 'Any time you're cutting the money, who you're really hurting are the people and the families and the kids who need it the most,' she says.

[ALASKA PUBLIC RADIO, 8/28/13]

ALASKA

If not for the state funding increase, we would have been required to cut one teacher and one aide, which would have resulted in the loss of 17 slots for lowĐ income children. Crisis averted—for this year. However, we will NOT have any such 'fall back' opportunities in the future.

- One Virginia Superintendent
[EDUCATION WEEK, 8/13/13] VIRGINIA

This is going to severely impact their daily lives because for 13 days they won't have a place to go,' said Brenda Zedlitz, Washington County Head Start's program director. 'We serve the working poor. Where are their children going to go when they are at work? Does this mean that they will leave their children with caregivers who might not be appropriate? Mostly, what does this mean to the wellbeing of that child?'
[HUFFINGTON POST, 3/21/13]
ARKANSAS

At this point, everyone's had enough time to digest that this is a new chapter in our story, and we just have to learn to work with it,' said Noreen Landis-Tyson, chief executive of the Community Partnership for Childhood Development, which runs Head Start in El Paso County. 'We have to see this as an opportunity. Otherwise I'd have to sit in the corner and cry.'

[NEW YORK TIMES, 5/6/13] COLORADO

Terry Tolbert is the Deputy Director of the EOA's Head Start here in Savannah. 'Our funding was cut by 5.27%, which means we had to lay off 48 children. In addition we had to lay off about 18 staff members. Some were teachers, some were other support staff,' says Tolbert. [WJCL, 8/21/13] GEORGIA

'It's going to be devastating to the families and very hard to do,' Idaho Head Start Association Executive Director Stan Burton said about sequester cuts.

[IDAHO PRESS, 3/17/13] IDAHO

'Don't set us back,' says Debra Mahone, who runs federal Title 1 programs for Prince George's Schools, don't 'pull the rug out from under children who really need that support.'

[WUSA, 2/28/13] MARYLAND

Dr. Barbara Coatney is the Executive Director of the Gulf Coast Community Action Agency which oversees eight Head Start centers in south Mississippi. She admits she's worried about the cuts. 'Presently we are serving 1,368 children, and as of next year we will have less than that. We will have 1,268. We will have to let parents know that we can put you on a waiting list, but we just don't have the space

[WLOX, 6/13/13] MISSISSIPPI

This is the worst that I've seen it, and I've been in Head Start for 24 years,' [Deb Ross, executive director of the Head Start Child and Family Development Program] said.

[GRAND ISLAND INDEPENDENT, 5/4/13]

NEBRASKA

'They have not heard the cry from the poor who are really hurting,' OCAB Community Action Agency, Inc. Executive Director Calvin Wright said in reference to the approximately \$273,000 the agency will not see this year for its Head Start and Early Head Start programs.

[ORANGEBURG TIMES AND DEMOCRAT, 6/2/13] SOUTH CAROLINA

One thing is clear: Though the cuts officially took effect in March, the pain from most of the Title I cuts has only just begun, as the reductions were incorporated into 2013-14 school budget. 'Anyone who thinks it's not having an adverse impact needs to spend more time in our school system.'
- Say Kizner, The Harrisonburg Superintendent.

[MSNBC, 9/2/13] VIRGINIA

... Many schools have eliminated resource rooms where children can go to get help in areas such as math, reading, writing and organizational skills. Many schools will have fewer speech, occupational or physical therapists, along with social workers and school psychologists, which means students who previously received speech therapy twice a week might only receive it once week... And in some general education classrooms that had two teachers - one for the whole class and one specifically to support students with special needs - the special education teacher has been eliminated. [PEW STATELINE, 9/10/13]

'We now have 294 students, which is a considerable drop from what we used to have,' [Bloomington's South Central Community Action Program] director Blakely Clements said. 'We closed a couple classrooms, we lost all of those children slots and people associated with them. This just doesn't affect the children but the families of those who worked with them.' [INDIANAPOLIS STAR, 8/20/13] INDIANA



OUR NATION SUCCEEDS WHEN OUR STUDENTS SUCCEED

Federal education programs benefit tens of millions of children and adults from PreK through graduate level education. These programs play a crucial role by helping children, youth, and adults obtain the skills they need to succeed in school, college, and their careers by closing academic achievement gaps, improving overall student achievement and increasing high school graduation, college attendance, and college completion rates. At a time when high-paying jobs require higher levels of educational attainment, and when our nation's economic growth and global competiveness increasingly depend on a highly skilled workforce, federal education programs are a vital investment in our future.

CUTS HAVE CONSEQUENCES

Funding for education is just a tiny fraction of what the federal government

spends annually. In fiscal year 2013, the federal government is projected to spend only 2.1 percent of its total budget on Department of Education programs, which represents only 0.4 percent of our nation's overall economy.

Prior to sequestration, Congress cut discretionary education programs (exclusive of Pell grants) \$1.35 billion between 2010 and 2012.iii As the Pell grant program's costs increased largely due to rising numbers of participating students, Congress responded by scaling back eligibility for the program and reduced the interest subsidies for federal student loans. These restrictions and limitations resulted in savings to the federal government that were used to maintain the Pell grant maximum award of \$5,550. However the changes produced more "savings" than were needed and thus resulted in college students contributing \$4.6 billion out of their pockets to deficit reduction between 2012 and 2021.iv The recent student loan interest rate legislation shifted an additional \$715 million in costs to student loan borrowers between 2013 and 2023.

In fiscal year 2013, sequestration slashed another \$2.3 billion from discretionary education programs and \$414 million from Head Start, moving America backward in terms of federal support for education. These waves of cuts have come at a time when enrollments have increased at both the K-12 and higher education levels and states, schools, students and colleges have endured deep state and local budget cuts.

The need to increase the federal investment in education has never been greater. Jobs and the economy are directly linked to such investments. Both unemployment rates and lifetime earnings are based on levels of education attainment. Investments in education are investments in our fiscal future and our societal well-being.

The stories from real people featured in this chapter demonstrate the ways in which very deep cuts to education programs harm low-income children, children with special needs, and schools.

Federal Role: Education

Federal education funds are provided to schools, students, states, colleges and other recipients largely through the U.S. Department of Education. The Head Start program, the primary federal source of support for preschool programs, is located within the Department of Health and Human Services.

HEAD START promotes the school readiness of over a million children ages birth to 5 from low-income families by enhancing their cognitive, social and emotional development.

TITLE I is the largest Elementary and Secondary Education Act program, serving an estimated 23 million students in 86 percent of school districts with high concentrations of children from low-income families. It provides financial assistance to help ensure that all children meet challenging state academic standards.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA) funding helps schools provide needed early intervention, special education and related services to more than 6.5 million eligible infants, toddlers, children and youth with disabilities.

Impact Aid serves 11 million students by replacing lost local revenue for 1,300 school districts affected by federal activities and thus exempt from local property taxes.

THE FEDERAL PELL GRANT PROGRAM helps increase access to postsecondary education for nearly 9.2 million lowand moderate-income undergraduate students by providing grants that help meet postsecondary education costs.

CAREER AND TECHNICAL EDUCATION integrates academic and technical curriculum, and provides work-based learning opportunities, so students have the work-related skills necessary to succeed in postsecondary education, training, and employment.

SCHOOLS AND COLLEGES FACE A DOUBLE WHAMMY OF BUDGET CUTS

State and local governments and school districts have very limited capacity to soften the blow of sequestration.

- "Nine of ten (90 percent) school administrators replied that their state would be unable to absorb or offset the cuts of sequestration, equal to the 89.5 percent indicating that their district would be unable to absorb the cuts." (1)
- "At least 34 states are providing less funding per student for the 2013-14 school year than they did before the recession hit." (2)
- "States are spending \$2,353 or 28 percent less per student on higher education, nationwide, in the current 2013 fiscal year than they did in 2008, when the recession hit." (3)
- The U.S. Census Bureau found that per student public education spending decreased in 2011 for first time in nearly four decades and that total expenditures for public schools declined for the second year in a row. (4)
- The Bureau of Labor Statistics' data shows that 324,000 public school educator jobs have been eliminated since the start of the recession. (5)

- (1) "Cut Deep: How the Sequester Will Impact Our Nation's Schools." American Association of School Administrators. July 2012. Available at: http://aasa.org/uploadedFiles/Policy_and_Advocacy/files/AASA%20Sequestration%20July%202012.pdf
- (2) "Most States Funding Schools Less Than Before the Recession." Center on Budget and Policy Priorities, Sept. 12, 2013. Available at http://www.cbpp.org/cms/index.cfm?fa=view&id=4011
- (3) "Recent Deep State Higher Education Cuts May Harm Students and the Economy for Years to Come." Center on Budget and Policy Priorities, Mar. 19, 2013. Available at http://www.cbpp.org/cms/index.cfm?fa=view&id=3927#_ftn11
- (4) "Per Student Public Education Spending Decreases in 2011 for First Time in Nearly Four Decades, Census Bureau Reports." United States Census Bureau. May 21, 2013. Available at http://www.census.gov/newsroom/releases/archives/governments/cb13-92.html
- (5) United States Bureau of Labor Statistics. http://www.bls.gov/home.htm

EDUCATION OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

CATEGORY	2013	C	
A) EDUCATION	2.15%	В	D
B) OTHER NDD	14.75%	A	
C) DEFENSE DISCRETIONARY	18.20%	F	
D) NET INTEREST PAYMENTS	6.45 %		E
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %		
F) OTHER ENTITLEMENT PROGRAMS	12.72 %		
Source: CBO May 2013 Baseline			

THE HARSH IMPACT OF THE SEQUESTER ON CHILDREN AND FAMILIES

A new congressional report released on October 9, 2013 paints a stark picture of the severe harm to children, families, and education that has been caused by federal budget cuts since 2010: (1)

- Window Rock Unified School District (Arizona) has eliminated more than 40 positions and plans to close three schools in response to federal budget cuts.
- Ukiah Unified School District (California) was forced to eliminate its summer school program, replacing it with a two week intervention program, serving a limited number of students.
- Lee County (Florida) eliminated approximately 100 paraprofessionals and staff specialists who supported the learning and instructional needs of students with disabilities.
- When a Head Start center in Taneytown, Maryland was forced to close after \$103,000 in cuts, parents like Kelly Burford were forced to quit their low-wage jobs to care for toddlers when faced with no affordable alternatives.
- The Cleveland (Ohio) Metropolitan School District, serving more than 55,000 students has eliminated all school social workers.
- The University of Tennessee lost \$50,000 in federal work study funds, impacting 17 students who will not be afforded work-study employment for this school year.

SOURCES

i Fiscal Year 2013 Historical Tables; Budget of the U.S. Government; Table 4.2 (available at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/hist.pdf)

ii "National Income and Product Accounts, Gross Domestic Product, 2nd quarter 2013 (second estimate); Corporate Profits, 2nd quarter 2013 (preliminary estimate)." U.S. Department of Commerce, Bureau of Economic Analysis, August 29, 2013 (available at http://www.bea.gov/newsreleases/national/gdp/ gdpnewsrelease.htm)

iii U.S. Department of Education Fiscal Year 2011 Congressional Action, Feb. 23, 2013. Available at: http://www2.ed.gov/about/overview/budget/ budget11/11action.pdf. U.S. Department of Education Fiscal Year 2012 Congressional Action, Feb. 5, 2013. Available at: http://www2.ed.gov/about/overview/ budget/budget12/12action.pdf

iv CBO Analysis of August 1 Budget Control Act available at http://www.cbo.gov/sites/ default/files/cbofiles/ftpdocs/123xx/doc12357. budgetcontrolactaug1.pdf

v CBO Estimate of the Budgetary Effects of the Bipartisan Student Loan Certainty Act of 2013 available at http://www.cbo.gov/sites/default/files/cbofiles/ attachments/Bipartisan%20Student%20Loan%20 Certainty%20Act%20of%202013.pdf

vi Sequestration and Continuing Resolution at the Department of Education available at http://www2.ed.gov/about/overview/budget/budget14/summary/appendixl.pdf



CUTS TO HEAD START HURT CHILDREN IN FORMATIVE YEARS

FEATURING: Sharilyn Cano, Human Resources Director, Southern Oregon Head Start, Central Point, Oregon

A JUMP ON LEARNING

Created in 1965, Head Start has for decades provided comprehensive child development services for economically disadvantaged children and their families. Based on established evidence that the first years are most critical to children's growth and development, Congress established Early Head Start in 1995, to serve children from birth to three years of age.

Children who enroll in Head Start are more likely to enter kindergarten on grade level and ready to learn. In addition to cognitive development, Head Start promotes the social and emotional development of children through comprehensive education, health, nutrition, and social services. A primary goal is also to engage parents in their children's learning.

CLOSING DOORS ON CHILDREN

One local provider of these services is Southern Oregon Head Start (SOHS), where Sharilyn Cano, as Human Resources Director, oversees the operations of all employees and makes sure the agency functions smoothly. SOHS serves children and families in Jackson and Josphine Counties with 20 facilities. There are 53 Head Start and 14 Early Head Start classrooms. Unfortunately, before sequester, those numbers were even higher. As Sharilyn described:

Our total budget from federal grants was nearly \$6.9 million and because of sequestration we lost \$375,382 per year. Since our fiscal year begins in November we were already more than five months into the year when sequester went into effect and we had been spending at

pre-sequester levels to accommodate the number of students we had enrolled. Our school year ends in late May – so all of the cuts we made for fiscal year 2013 fell onto staff. We then turned around and promptly cut another \$375,382 from our budget for the next fiscal year.

In 2013, SOHS started with 350 staff and are now down to 304. Some of these losses were through attrition and not rehiring positions, but many people were laid off. Sharilyn recalls that:

We did away with a health manager, we made an area manager position half time, we cut an education manager, and we eliminated one of our family and community partnership supervisors who was responsible for family engagement. One of our 40 year veterans retired because she could not handle the physical and emotional stress of dealing with the fiscal uncertainty caused by these cuts.

In addition to the layoffs, Sharilyn was forced to dramatically reduce remaining staff hours and furlough nearly all employees.

Furlough days ranged anywhere from 2 days for some to 15 days for others. It was heartbreaking because I had staff that I knew were barely hanging on by a thread financially because of the furloughs. When they returned, it was bittersweet in some ways because [our staff] was so dedicated coming back this school year because all they want to do is take care of families in need.

On the direct academic side, SOHS was forced to close three Head Start classrooms and one Early Head Start classroom. According to Sharilyn:

This means we laid off a head teacher, two regular teacher positions, and a teacher specialist. We also laid off four teaching assistants, two center assistants, two family advocates, and two cook assistants. We went from serving 1215 kids in May to 1141 in September. The loss of 174 kids is all because of sequester. We used to also run an after-care program, which was a huge help to our families, but because of budget cuts over the last three to four years that has been eliminated, as well.

Even before the cuts, the funding for SOHS meant they were only able to serve 63 percent of the eligible Head Start population in Jackson County and 50 percent of the eligible population in Josephine County. For Early Head Start, a staggering 96 percent and 93 percent of eligible infants went without services. "Right now we have a waitlist of 261 kids, and I expect that number to grow as we move further into the school year," said Sharilyn. "If we had the money, we would absolutely enroll those students."

CHILDREN BEAR THE BRUNT

Sharilyn has a difficult time understanding how policymakers would allow the sequester cuts. As she explained:

I don't understand the logic of these cuts – no one does. I know for a fact that we have children in our centers who get the very best meal, with the best food, and the fullest amount of food of anything they get all day while they are with us. But unfortunately it's the kids who now bear the brunt of these cuts. People need to understand that in order to 'pull yourself up by your boot straps,' you first need to have bootstraps. These cuts are not making things any easier.

Tragically, the events at SOHS have been all too common across the country. Since March, nearly 57,000 toddlers have been cut from Head Start and Early Head Start. One Head Start site in Indiana held a



Staff are in tears because of the stress. I see a weariness in our people. I see a death by a thousand cuts.

- SHARILYN CANO

lottery because it was the only fair way they could determine which students would lose their seats. At a time when more than one in every four children in America lives in poverty, Head Start is a critical investment.

SOURCES

 Head Start grantees are all on varying grant cycles that do not necessarily correspond with the Federal fiscal year. SOHS has a grant cycle that begins on November 1.

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CUTS TO INDIVIDUALS WITH DISABILITIES EDUCATION ACT LEAVE VULNERABLE KIDS BEHIND

FEATURING: Ben Jimenez, Age 2, Wisconsin and Marcie Lipsitt, Parent Advocate, Michigan

EARLY INTERVENTION PROVIDES HOPE AND INSPIRATION

Ben Jimenez was 18 months old when his parents first noticed delays in his speech. They spoke to their pediatrician about their concerns and were told that Ben's delays were the result of living in a bilingual family. Not satisfied with this explanation, Ben's parents explored their options and found Easter Seals Southeast Wisconsin's "Birth to Three" program—an early intervention program established by Part C of the Individuals with Disabilities Education Act (IDEA). After six months in the program, Ben is making great progress. When he talks, he speaks in full sentences and is understood by others. And, thanks to his knowledgeable team of speech and occupational therapists, Ben's parents better understand his sensory issues and fine motor-skill needs. Ben's mom explains, "Finding out his diagnosis didn't come as a big surprise; it was more like a relief. Seeing Ben's incredible progress thus far gives us so much hope and great inspiration."

A GREAT IDEA FOR ACHIEVING DREAMS

IDEA includes several important state grant programs: Part C that funds a statewide system of early intervention services for kids under the age of 3 and their families and two grant programs that help states provide a free, appropriate public education to children with disabilities between the ages of 3 and 21. IDEA also funds important activities like parent training centers, professional development for teachers, innovative education and support protocols. Prior to the current financial crisis, all of these programs were grossly underfunded and unable to meet current needs.

SEQUESTRATION LEAVES STUDENTS BEHIND

Sequestration cuts have already started impacting schools' ability to provide IDEA services to students. Despite a growth in the number of eligible children, the U.S. Department of Education estimates that the cuts mandated by sequestration result in approximately \$579 million in federal funding cuts for special education services for children of ages 3 to 21.

Some states are unable to provide specialized training to teachers so they have the skills to meet the needs of students with disabilities. Other states are not offering assistive technology services even though they are required by IDEA to offer these services to students who need them. In Michigan, sequestration has meant exploding class sizes, reduction of professional development for teachers, and cutbacks in services. Michigan lost more than \$20 million in IDEA dollars and some estimates indicate it will lose 245 jobs as a result.

According to parent and National Center for Learning Disabilities (NCLD) parent advocate Marcie Lipsitt:

Budget cuts are devastating Michigan school districts' abilities to provide quality special education programs and services; and stretching teachers, speech clinicians, occupational therapists, physical therapists, social workers and school psychologists beyond their capacity. As the parent of a child with special needs, and lay advocate to thousands of families in my state, I am watching the promise of IDEA and special education become more and more elusive and too many students will not be prepared for post-secondary education and the global workforce.

Sequestration is sending a powerful message to children at risk and with disabilities, that their right to a public education does not matter, and neither does their productivity and place in America's future.

In IDEA, Congress promised to provide states with up to 40 percent above the average per pupil expenditure for students with disabilities. After sequestration, Congress is only meeting 14 percent of the 40 percent promised – the lowest level since 2001. Thus, after years of budget cuts outcomes for students with disabilities continue to lag. Graduation rates for students with disabilities are unacceptably low. Consistently underfunding IDEA is denying the children who are meant to benefit from this law the education they have a right to and that they deserve.

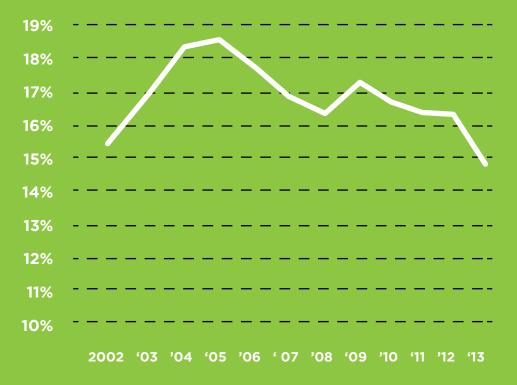


Sequestration is sending a powerful message to children at risk and with disabilities, that their right to a public education does not matter, and neither does their productivity and place in America's future.

- MARCIE LIPSITT



THE SEQUESTER CUT THE FEDERAL SHARE OF SPECIAL EDUCATION FUNDING TO THE LOWEST LEVEL IN 12 YEARS



SOURCES

i Easter Seals, Make the First Five Count White Paper 2013, http://es.easterseals.com/site/DocServer/ FINALWP 2 optimized pdf?docID=161555

AUTHORS

Association of University Centers on Disabilities, Easter Seals, National Association of Councils for Developmental Disabilities, National Council for Learning Disabilities. and The Arc



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Source: Committee for Education Funding based on National Education Association calculations from data from the U.S. Department of Education Budget Service and the Congressional Research Service. The federal share is calculated from regular appropriations for Special Education Grants to States (IDEA Part B-611), excluding amounts available for studies and evaluations or technical assistance as applicable.

^{*} Excludes one-time American Recovery and Reinvestment Act (ARRA) funds

CUTS TO IMPACT AID FUNDING COMPROMISE ACADEMIC SUCCESS

Coy Sasse, Business Manager, Shannon County School District 65-1, South Dakota

IMPACT AID: PROVIDING AN EDUCATIONAL LIFELINE

Since 1950, Impact Aid has provided critical funds to school districts across the United States that do not receive local property taxes because they are on or adjacent to nontaxable federal land, such as Indian reservations or military bases. These school districts face special challenges — they must provide a quality education to the children living on the Indian and federal lands, while operating with less local revenue than is available to other school districts, because federal property is exempt from local property taxes. Impact Aid helps replace the lost local revenue that would otherwise be available to these districts to pay for the education of all children in the school district. School districts use Impact Aid for a wide variety of expenses, including the salaries of teachers and teacher aides; textbooks, computers, and other equipment; after-school programs and remedial tutoring; advanced placement

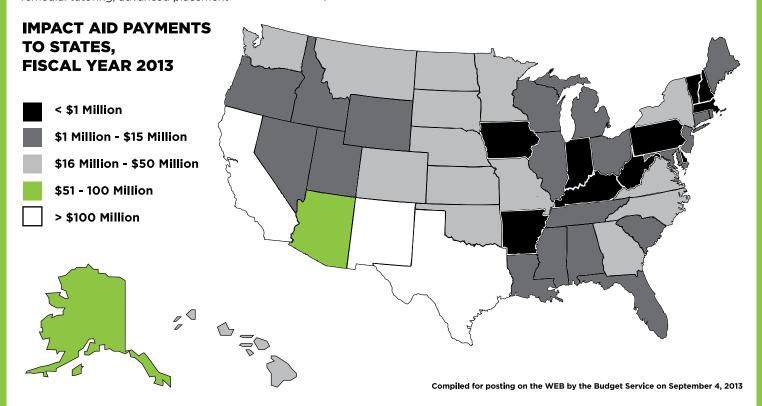
classes; and special enrichment programs.

Impact Aid assists roughly 1,350 local school districts with concentrations of children residing on Indian lands, military bases, low-rent housing properties, and other federal properties. Combined, these districts enrolled more than 950.000 federally connected children, with a total combined student enrollment of more than 12 million children in 2011 For some school districts, Impact Aid supplies as much as 75 percent of the local education operating budget. Every state received some impact aid in 2013 Arizona receives the most Impact Aid support-\$166 million in fiscal year 2013followed by Alaska (\$134 million), Texas (\$95 million), New Mexico (\$90 million), and California (\$60 million).

CUTS HURTING STUDENTS ACROSS THE NATION

In fiscal year 2013, Impact Aid was cut by \$67.5 million, or more than 5 percent due to sequestration and other cuts. But because sequestration hit very late in the school year—after schools were required to spend their Impact Aid—the actual cuts were much greater. According to a recent report by the Center on American Progress:

Some Impact Aid schools are more dependent on the funding than others. This past month we discussed sequestration's effect on schoolchildren living on Naval Air Station Lemoore in California. Schools in that district rely on Impact Aid for 30 percent of their entire budget. As Heiko Sweeney, principal of the base's Akers Elementary School, explained, "For us, Impact Aid is critical." The students and staff of Akers Elementary School are not alone in this regard: Federal Impact Aid accounts for more than half the budget for the Dulce Independent School District in New Mexico. In Mascoutah, Illinois, Superintendent Todd Koehl is expecting a 20 percent reduction in Impact Aid this year. "State and federal dollars are some of our biggest revenues," said Koehl. And according to Dawn Kirby, vice president of the Travis



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I hope the Congress understands the impact their actions have on these Native American communities. For an essential program like Impact Aid, when that money is cut it has such a huge impact, since schools are a key part of the community on reservations.

- COY SASSE

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Unified School District in California, Impact Aid provides them with "a lot of money. ... That money has to come from somewhere. A lot of our students come from military families."

While some school systems might be able to rely on reserves to make up some of the shortfall resulting from Impact Aid cuts, others such as the Tomah School District in Wisconsin are not as fortunate. "The only thing left is to reduce salaries and benefits or eliminate programs," said Greg Gaarder, the district's business manager. "There are no tools left in the toolbox."

The National Association of Federally Impacted Schools (NAFIS) in a July 2013 survey of Impact Aid districts found:

The most common effects of the five-percent across-the-board cut were deferred maintenance and technology purchases, elimination of instructional and non-instructional staff, increased class sizes, and reduced professional development. Other areas where cutbacks occurred were to academic programs, extra-curricular activities and summer programs, and transportation routes.

Sequestration has affected school districts and their students both in the 2012/2013 and 2013/2014 school years. According to the NAFIS survey:

The two-year impact of these cuts paints a stark picture. Browning Public Schools in Montana (Indian lands), for example, cut [its operating budget] by 10 percent, resulting in staff eliminations, fewer supplies and field trips, and less technology for the 2012-2013 school year. For the 2013-2014 school year, additional staff have been eliminated through attrition, salaries were cut, maintenance was delayed, extracurricular activities were eliminated, and professional development will be reduced. In South Dakota's Timber Lake School District (Indian lands), reduced staff and professional development, cuts to supplies, and increased studentto-teacher ratios were enacted for the 2012-2013 school year. For the upcoming school year, the district has planned to use reserve funds, eliminate instructional and non-instructional staff through attrition, delay purchases, and reduce academic programs and professional development. Asked how sequestration affected the community, Superintendent Jarod Larson responded: "There are no words to describe the impact this is having on the kids and the community, but we are certainly not helping the students to succeed."

The Shannon County School District 65-1 located in South Dakota is located entirely on an Indian reservation. Its mission is "to strengthen the Lakota identity and values of students and to assure their overall well-being and academic success." Virtually all of its 1,550 students are Native American, with 95 percent eligible for free and reduced price school lunch. Approximately 35 percent of its total operating budget comes from Impact Aid. In addition. the district receives federal funds from the Title I program and the Individuals with Disabilities Education Act (IDEA) state grants, which were also subject to sequestration.



Due to sequestration and other federal budget cuts, the district has reduced its staff by 25-30 positions out of 450. Salaries for employees are frozen. Class sizes have increased and programs like art and music have been eliminated.

According to Coy Sasse, the district's business manager,

Sequester has had a devastating impact on our district. Because Impact Aid is such a huge part of our budget we have had to cut funding to nearly every part of our organization. Ultimately this means larger class sizes and less support for our teachers and instructional staff. The sequester has also made managing our cash flow very difficult. Because of the inconsistent and indecisive actions of Congress and the ongoing continuing resolutions, our Impact Aid monies can no longer be counted on to come at a specific time or for a specific amount. We don't know when the money will come and we have no idea how much it will be. It makes cash flow management very, very difficult.

HARD CHOICES AHEAD

Should sequestration continue, Coy expects to have further reductions in teachers and other staff. More programs serving students will be cut back or eliminated and class sizes may further increase. Because of the large geographic area of the district it must provide transportation to all its students. He worries about how to maintain and service the buses to keep them running. Without bus transportation few of the children who attend Shannon County schools would be able to get to class.



SOURCES

i What Is Impact Aid, available at http://www.nafisdc. org/#!basics

ii Ibid

iii Federal Impact Aid Program, available at http:// febp.newamerica.net/background-analysis/federalimpact-aid-program

iv Department Of Education Fiscal Year 2013 Operating Plan available at http://www2.ed.gov/ about/overview/budget/budget13/13action.pdf

v Boadi, K. "Sequestration Nation: Cutting Impact Aid Funding Harms Our Nation's Schoolchildren," Center for American Progress. May 13, 201. Available at: http://www.americanprogress.org/issues/economy/news/2013/05/13/63051/cutting-impact-aid-funding-harms-our-nations-schoolchildren/

vi The Sequester's Impact on Vulnerable Schools available at http://www.nafisdc.org/#!publications

AUTHORS

Committee for Education Funding



TRIO CUTS DENY STUDENTS OPPORTUNITIES FOR COLLEGE SUCCESS

FEATURING: Amy Verlanic, Executive Director, Institute for Educational Opportunities and Montana Tech & Board Chair Elect, Council for Opportunity in Education, Butte, Montana

TRIO, a set of federally funded college opportunity programs, serves 790,000 low-income, first generation students and students with disabilities in 2,800 sites across the nation. The original "trio" of support programs was passed in the 1960s and included Upward Bound, Talent Search, and Special Services for Disadvantaged Students. This trio has grown to include Educational Opportunity Centers in 1972, the Ronald E. McNair Post-baccalaureate Achievement Program in 1986, and Upward Bound Math & Science in 1990, as well as several others.

As mandated by Congress, two-thirds of students served by TRIO programs must come from families with incomes of 150 percent or less of the federal poverty level and in which neither parent graduated from college. Amy Verlanic, Executive Director of the Institute for Educational Opportunities at Montana Tech, works daily to make sure these students throughout Montana have the same opportunity for success in college as their more fortunate classmates.

Unfortunately, because of sequestration, which comes on top of years of cuts and level funding, Amy's job has gotten much, much harder:

Today, 64 percent of Montana children are growing up in a home where there is no adult with a bachelor's degree. Where are [these kids] to turn for assistance in navigating the tricky waters of financial aid, scholarships, post-secondary applications and registration? The cycle of poverty for these families, and specifically for these children, will not end if we continue to reduce the workforce of professionals trained to provide these exact services.

In just two years, the funding for Montana TRIO fell 16 percent as more than \$1.5 million was cut from the budget. With the cumulative effects of budget cuts, "36 communities in Montana have lost college access services, including adult reentry services and veteran services," said Amy. "Looking just at college preparatory services provided in Montana High Schools, the number of schools being served has been cut by 25."

Cuts to TRIO are particularly difficult to absorb because nearly 90 percent of the costs associated with the program are for personnel. Amy believes:

We are losing the purchasing power to hire staff with years of experience and training in specific fields. If I can only afford to hire someone right out of college, they're clearly not going to be as effective as someone with a Master's Degree in Education and ten years of experience with middle school or high school students.

Since 2009, investments in TRIO have been cut by more than 14 percent after adjusting for inflation. Montana, a mostly rural state has been particularly hard hit because emphasis has been placed on more urban areas that have a higher concentration of students in need. Amy cites Thompson Falls, a timber community where she used to work, as one such example:

80 percent of the families are out of work after the lumber mills closed. These kids were academically able, but now all the TRIO programs were defunded because they're small schools. Kids in these schools graduate, but they just don't have anywhere to go.

Cuts in funding bring difficult choices, and "rural populations are losing out because they simply don't have the high density of students," Amy said. This means that Native American communities in Montana, which usually have tremendous need are especially impacted:

It is alarming that one-third of the high schools that lost TRIO services are reservation or border-town schools serving our must vulnerable Native American populations. In the last grant cycle, there's only one program that went to a tribal college.

At a time when unemployment for those with only a high school diploma is more than double the unemployment rate for college graduates, it's clear that higher education is a necessity to thrive in today's economy. TRIO has a long history of success and bipartisan support. However, budget cuts are severely jeopardizing that work. As Amy notes:

It seems almost criminal to me that our nation's leaders can be quoted as wanting to increase the educational attainment of our country and improve our global competitiveness while they can simultaneously approve without question the reduction of expertise and services to students so critical to meet these very goals.



The cycle of poverty for these families, and specifically for these children, will not end if we continue to reduce the workforce of professionals trained to provide these exact services.

- AMY VERLANIC

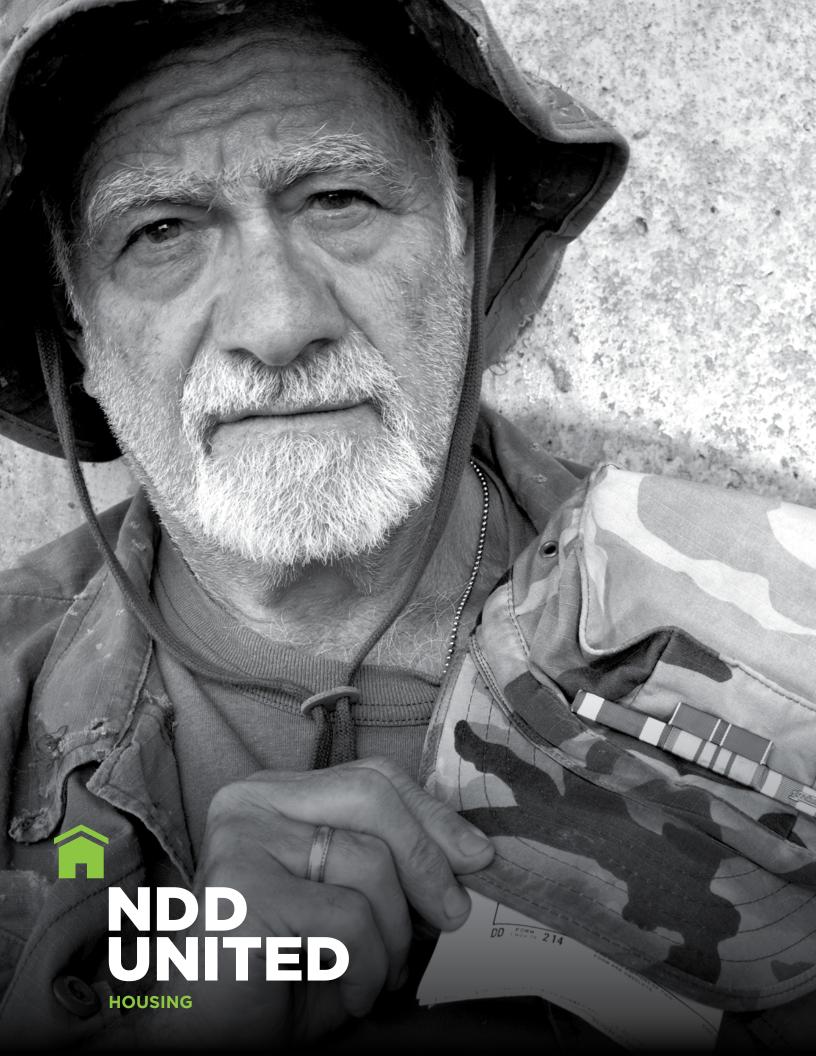
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AUTHORS

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With the job market in such a blight condition, the need for subsidized housing is increasing daily. I am advance degree [holder] seeking decent employment, who cannot afford my current rent.

[HOW HAVE SEQUESTRATION CUTS IMPACTED YOU?, 9/12/13]

There are residents here that are already at the end of their time at Valor House. They're the ones that are going to be hurting because they may not have this place and they're going to have to wait with everybody else. - Curtis Kutzler, a Resident of the Valor House which provides temporary housing for homeless veterans

[NBC MONTANA, 3/21/13] MONTANA

Fairfax County officials have said the impacts of sequestration are largely unknown, but for some of the county's low-income residents that's no longer true: Last week, the cuts forced the county to stop issuing Section 8 vouchers for affordable housing to families in need.

[MCLEAN PATCH, 4/9/13] VIRGINIA

The Muscatine Municipal Housing Agency took back vouchers that it had originally given to nearly 20 families — vouchers that are normally used by those families to help pay their rent.

[MUSCATINE JOURNAL, 4/18/13] IOWA

In February, [Corrine Lewis, a disabled Woodbury woman] was elated to learn that she, her disabled daughter and a granddaughter finally would receive the subsidy under the Section 8 program. She began hunting for an apartment... [Then] Lewis got a second letter from the Metropolitan Council's Housing and Redevelopment Authority. The agency told her the subsidy was on hold because of a reduction in federal funding due to sequestration — the automatic budget cuts that went into effect starting last month.

[STAR TRIBUNE, 6/12/13] MINNESOTA

I'm really in shock because I'm trying to figure out how that is going to work out? - Tamara Caston, single mom and bus driver for Fort Bend ISD

[KUFH.FM. 06/13/2013] TEXAS

It also can mean forcing older people out of affordable housing and into Medicaid-funded nursing homes. This is not in anyone's best interest, and it will not save any money. - Judith Welles, Chair of the Montgomery County Commission on Aging regarding sequestration cuts to HUD funding

[WASHINGTON POST, 05/31/2013] ALABAMA I don't know where next week's rent coming from. - Leila Tennessee, New Orleans resident

[THEBOSTONHERALD.COM, 06/15/2013] LOUISIANNA

...with average rent in Chittenden County at more than \$900, tenants like Amanda Benson could soon wind up with no option but to live on the street.

[THINK PROGRESS, 08/20/2013] VERMONT

Here I am with six weeks to move into a smaller unit in a less-fortunate part of town, or I can pay my entire month's income to keep my son stable in his school.

- Krystal Bearden, 28 year old single mother from San

[FINANCIAL TIMES, 07/28/2013] CALIFORNIA

Jose, California



LOW-INCOME HOUSING RESOURCES IMPACT ALL AMERICANS

The federal government's rental housing, homeownership, and community development programs provide tools that low-income households need to fully participate in thriving communities. Federal housing programs ensure that these families have access to safe, decent and affordable homes. These programs strengthen the national economy by reducing poverty among recipients at a higher rate than other federal programs, creating jobs and leveraging economic activity, and stimulating the housing market.

SMALL INVESTMENT GENERATES SAVINGS

For fiscal year 2013, proposed HUD funding represents less than 1 percent of all federal spending and only 5 percent of discretionary spending. This small investment in HUD generates cost savings in other government funded activities and makes them more effective, including health care, law enforcement, education and employment.

YEARS OF FUNDING EROSION CROWNED BY SEQUESTRATION

HUD and USDA funding (not including disaster funding) has declined since fiscal year 2010, despite rental costs increasing and incomes declining. For some HUD programs, cumulative cuts since 2010 are ten times larger than sequester cuts. VIII Sequestration and years of funding erosion put at risk the government's long standing investment in affordable housing and community development projects.

EARLY HUD IMPACTS

Prior to sequestration, HUD estimated that hundreds of thousands of households would be negatively affected and that tens of thousands of jobs would be lost.ix Currently, public housing agencies are forced to serve fewer families with vouchers and may have to increase tenants' rents. Pubic and non-profit agencies have eliminated staff. Private investment leveraged by community development programs is at risk.

These 2013 cuts will have serious repercussions for years to come if they are not reversed quickly. Fewer housing vouchers used in 2013 may result in permanent loss of units; deferral of public housing repairs may result in shuttering

of units. Delaying development projects may dissuade private investors from partnering with the government and results in fewer new housing units.

CURRENT USDA IMPACTS

USDA estimated that, due to sequestration, 15,000 low-income tenants could lose housing assistance.x In July 2013, USDA notified 900 property owners that it would not be able to pay rental assistance contracts until October 2013 and that property owners should manage this funding gap. While USDA is attempting to convince owners to continue contracts, it is not clear whether thousands of units will be lost.

Three recent surveys indicate that low-income residents are facing rent increases, developers are producing fewer affordable units, public housing agencies are halting issuing housing vouchers, and community development organizations are offering fewer services. Media outlets also reported more than three hundred examples of negative impacts for tens of thousands of lowincome households in 42 states. The stories contained in this chapter illustrate successes of households served by HUD programs and the challenges of other households who cannot receive help due to sequestration.

Federal Role: Housing Agencies

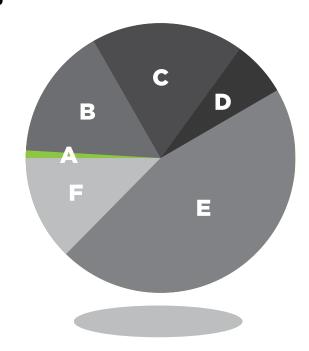
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) provides affordable rental housing for more than four million low-income households, advances homeownership goals for low-and moderate income households, and enhances low-income neighborhoods with community development tools.

DEPARTMENT OF AGRICULTURE (USDA) Rural Housing Service provides rental assistance and homeownership resources tailored to the unique needs of rural low-income households.

The Department of Treasury also provides affordable housing through tax credits and bonds used to finance the development of affordable rental housing for low-income households. These tax policies are not discussed here because they are not funded through discretionary appropriations.

HOUSING OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

CATEGORY	2013
A) HOUSING	0.93%
B) OTHER NDD	15.97%
C) DEFENSE DISCRETIONARY	18.20%
D) NET INTEREST PAYMENTS	6.45 %
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %
F) OTHER ENTITLEMENT PROGRAMS	12.72%



Source: CBO May 2013 Baseline

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ix Testimony of HUD Secretary Shaun Donovan to the Senate Committee on Appropriations, February 14, 2013.

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SEQUESTER HARMS VETERAN STRUGGLING TO FIND STABLE HOME

FEATURING: Herb of Iowa

AFTER SERVING HIS COUNTRY, HOMELESS GRANTS RESCUE VETERAN

Herb, an individual who is currently living in lowa and experiencing homelessness, graduated from high school in 1977 in Minnesota, joined the military for four years, and served as a military police officer in the United States and Korea.

After his discharge, Herb lived and worked in Mississippi and Alabama. Herb said, "I like living where it's warmer, and it's cheaper to live in the South."

Eventually Herb moved to lowa. He worked at the Hy-Vee distribution center in Chariton, lowa, until he was laid off. Herb suffered a heart attack, quickly fell into debt due to his medical bills, and soon became homeless. Herb learned about Central lowa Shelter & Services (CISS) from another veteran and went to the agency for help. Since arriving at CISS, Herb has suffered another heart attack; he is currently recovering from surgery.

Despite setbacks, Herb pushes forward, continues to look for work and helps around the shelter when he can. "I've just got to have something to do," Herb says. "I can't just sit around." Herb hopes his work ethic inspires others and he tries to serve as a role model for others at CISS.

During CISS's move to a new shelter facility, Herb helped launder everyone's clothes, packed boxes, and hauled them over to the new site. CISS's former site was a dormitory for 14 men and the new facility serves both male and female veterans with a 200 square foot room for each person. Each unit comes with its own microwave, refrigerator, two-burner hot plate, and telephone.

Most days you can find Herb doing laundry and helping with odd jobs around the shelter. Herb starts each day with a smile and does what he can to improve his situation and that of others in the program. "I appreciate that the shelter is here to watch over me and help me succeed," he says. Herb saves all the money he can and, when he leaves, plans to be healthier and gainfully employed.

CUTS WILL LIMIT PROGRESS ON HOMELESSNESS FOR VETERANS AND OTHERS

The Department of Housing and Urban Development's (HUD) Homeless Assistance Grants fund private agencies across the country to provide coordinated resources for individuals and families experiencing homelessness. The program funds outreach, shelter, transitional housing, supportive services, shortand medium-term rent subsidies, and permanent housing for individuals, such as Herb, and families who are experiencing homelessness.

In recent years, Congress has increased funding for Homeless Assistance Grants to address the nation's crisis of homelessness. In January 2012, 633,782 people were experiencing homelessness and of those, 62,619 people were veterans.

With sequestration cuts in place, the nation has halted progress on addressing homelessness and taken a step backwards. Additionally, the discretionary spending caps enacted will only result in less funding for effective housing and homeless programs than is needed to reduce the number of people experiencing homelessness.

President Barack Obama, HUD, and

the Department of Veterans Affairs (VA) committed to ending veteran homelessness by 2015, and have made significant progress on this goal. In order to continue this progress, HUD, VA, and the local agencies partnering with the federal government need sufficient resources to continue their effective work. While Congress exempted from sequestration certain discretionary HUD funding related to veterans, it did not exempt funding for Homeless Assistance Grants or other mainstream housing and community development resources that serve veterans. Sequestration cuts to Homeless Assistance Grants and housing and community development programs hamper efforts to end the crisis of homelessness, and veteran homelessness, in the nation.

Herb saves all the money he can and, when he leaves, plans to be healthier and gainfully employed.



SOURCES

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Central Iowa Shelter & Services, National Alliance to End Homelessness, and National Low Income Housing Coalition



FAMILY HOMELESS AFTER HOUSING OPPORTUNITY IS TAKEN BACK

FEATURING: Wanda Phillips, San Francisco, California

A FAMILY STRUGGLING TO FIND HOUSING

For years, Wanda Phillips has been struggling to end her family's homelessness. Just days after Wanda was notified by the San Francisco Housing Authority (SFHA) that her 12-year wait for an affordable housing voucher was over, the housing opportunity was taken away due to sequestration cuts.

In the last decade and a half, Wanda and her family have lived in their own apartment, a late family member's home, doubled up in her eldest child's apartment, in an emergency shelter and, during the worst of times, on the streets of San Francisco. In 2000, Wanda, her husband, and their five children applied for a Section 8 housing voucher to be able to afford an apartment in a safer neighborhood.

Several years later, separated from husband, and still on the voucher waiting list, Wanda moved her family into her mother's house. When her mother died in 2008, Wanda took a leave of absence from her work at Target and in the child care field. In addition to providing for her family on a low income, Wanda was also paying back student loans for a partially completed bachelor's degree. When the bank took ownership of her mother's property, the family had to leave. Since then, Wanda has been unable to secure stable employment and her family has been homeless.

Wanda has struggled to maintain consistency for her children without a stable home. The youngest of her two children were exposed to abusive behavior while temporarily in the custody of their father. Wanda's eldest son, now 24, took in the family in his rented apartment until they were asked to leave.

He lost his long term job at Starbucks during the family's housing crisis and began working as a street performer, which currently provides the family with income.

VOUCHER CUTS RESULT IN CONTINUED HOMELESSNESS

On May 2, 2013, Wanda received notice from the SFHA that she had reached the top of the waiting list for a Section 8 voucher to rent an apartment for her family. The day prior to her appointment with the SFHA to accept the voucher, Wanda was told that SFHA had stopped issuing vouchers because of sequestration cuts

The Section 8 or Housing Choice Voucher Program allows income eligible tenants to rent a market rate unit and pay 30 percent of their household income towards rent; the housing authority pays the landlord the balance of the rent. The Section 8 voucher program provides housing for 2.1 million households.

Cuts to the Department of Housing and Urban Development's (HUD) Housing Choice Voucher program have resulted in hundreds of housing agencies across the country halting reissuance of vouchers; instead of turning over an unused voucher to the next person on the waiting list, housing authorities are now eliminating the use of that voucher. Up to 140,000 households—many in similar circumstances to that of the Phillips family—will be denied the chance to receive vouchers that would have otherwise helped them out of homelessness and poverty.

VOUCHERS LOST NOT JUST IN THE FISCAL YEAR, BUT PERMANENTLY

Many of the households that are denied the chance to use a voucher will instead be forced to rely on emergency shelter, funded through HUD's Homeless Assistance program, as well as other public resources such as public school education liaisons, public safety and law enforcement officials, and emergency health care.

The impact of sequestration on the Section 8 program will last beyond the current fiscal year because voucher funding is based on the number of vouchers that are in use in a given year. If there are fewer vouchers in use, funding in subsequent years will be reduced. Without a specific appropriation from Congress, the vouchers cut from sequestration will be lost permanently.

Wanda continues working with the Housing Rights Committee of San Francisco to find affordable housing and shelter for her family. The Phillips still wait in shelter or with friends for the opportunity to rent an apartment with a voucher and restore stability in their lives. Tens of thousands of additional households on voucher waiting lists across the country also face an extended wait due to sequestration cuts.

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Just days after Wanda was notified... that her twelve year wait for an affordable housing voucher was over, the housing opportunity was taken away due to sequestration cuts.



AUTHORS

National Low Income Housing Coalition and Housing Rights Committee of San Francisco



PROJECT-BASED SECTION 8 HOUSING AT RISK DUE TO BUDGET TIGHTENING

FEATURING: Diane Felix, Former Resident of Hazel Hill Apartments, Fredericksburg, Virginia

PROJECT-BASED HOUSING PREVENTS HOMELESSNESS

In 2009, Diane Felix found herself facing a high cost rental housing market and the possibility of becoming homeless. Unable to afford an apartment with her low income, Diane and her two sons doubled up with her sister in Fredericksburg, Virginia. Diane applied for a unit at Hazel Hill Apartments in Fredericksburg, an affordable housing property, and after eight months a unit finally opened up.

At Hazel Hill Apartments, Diane was able to pay 30 percent of her income toward rent and use the balance of her income to support her family. Diane continued working while attending nursing school at Germanna Community College. Hazel Hill offered an afterschool homework program and Diane was able to enroll her children in the program where they received help and positive supervision. The development also offered residents an on-site computer lab where Diane was able to complete her own schoolwork. The complex also has a visiting registered nurse to help residents who are elderly and people with disabilities with nutrition and medical assistance. Diane said:

I can't even imagine [the other places we would have stayed]. If it hadn't been for Hazel Hill we would have been in a homeless shelter. I wouldn't be able to go to school and we'd be living in this cycle for the rest of my life.

One year after graduating, in May 2012, Diane was able to accept a full-time nursing job at a salary that allowed her to afford a market rate apartment. In her notice to vacate the property Diane wrote, "without your program and the support of Hazel Hill, I, and perhaps my children, could have become welfare dependent forever."

QUALITY PRIVATELY OWNED HOUSING CONTRACTS AT RISK

Without the rental assistance that the Department of Housing and Urban Development (HUD) provided, Diane would have been unable to afford a rental unit and complete school. Hazel Hill Apartments offers affordable units to low and moderate income households that are subsidized by a long-term project-based rental assistance (or Section 8) contract with HUD and owned and operated by the National Housing Trust. HUD currently contracts with property owners to provide approximately 1.2 million units of project-based housing affordable to low-income households: The Section 8 contract allows owners to charge tenants 30 percent of their income for rent and HUD funding pays the remainder of the rent.

The project-based rental assistance program uniquely combines housing that is private owned, developed, managed and maintained with a layer of government rent subsidy. The HUD subsidy provides stability for both eligible low-income households and market stability for property owners.

In recent years, due to dwindling appropriations and the discretionary spending caps enacted along with sequestration, Congress has not appropriated full funding to renew all project-based contracts for a full year as they have in the past. Instead, HUD has had to shorten the term of contracts, leaving owners unable to properly plan the operations of their properties.

FUTURE OF PROJECT-BASED HOUSING INSECURE

Hazel Hill Apartments and thousands of other privately owned properties across the country are helping lowincome families pursue educational and economic goals, however, HUD's ability to retain these affordable units is at risk. The sequester cuts could prevent HUD from being able to offer long-term contracts, dissuading owners from partnering with the government in the future. If owners do not renew their contracts with HUD, these affordable units could be permanently lost. The Felix family. and many other households across the country who currently live in safe, decent, affordable housing would lose out on the opportunity to maintain stable employment, provide an encouraging environment for their children, increase their income, and ultimately realize their dreams.

If it hadn't been for Hazel Hill we would have been in a homeless shelter.

-DIANE FELIX

"

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SEQUESTER CUTS STAND IN THE WAY OF HOUSING AND ECONOMIC SUCCESS

FEATURING: Kerry Jones, Louisville, Kentucky

PUBLIC HOUSING SUPPORTS RISE FROM HOMELESSNESS

For decades Kerry Jones supported himself by snagging odd jobs around his community. Kerry was stably housed while he had work but once his job luck ran out, he couldn't pay his rent. Kerry experienced homelessness for two years before ending up in an emergency shelter.

The Healing Place emergency shelter helped Kerry quickly move into transitional housing that included intensive employment assistance, then into permanent affordable public housing through the Louisville Metro Housing Authority (LMHA). Kerry secured a job as a flooring technician at the local university and moved to the Beecher Terrace public housing complex in downtown, just blocks from his job.

With stable, affordable public housing and a steady job, Kerry began to explore his opportunities. He enrolled in the LMHA Family Self Sufficiency (FSS) program for public housing residents and worked with a social worker to establish goals. Kerry said the FSS program taught him how to create a household budget, be financially responsible and build a nest egg. As part of the FSS program, the LMHA matched Kerry's savings in an individual development account, dollar-for-dollar.

After several years, Kerry took a homeownership class and connected with Habitat for Humanity, where he learned the basics of home construction, built homes for other low-income households, and completed hundreds of sweat equity hours toward the purchase of his own home. The LMHA's Housing

Choice Voucher Homeownership
Program supported Kerry's purchase of a
Habitat home, significantly reducing the
mortgage term, and the match to Kerry's
savings helped cover closing costs. Kerry
credited each agency that helped him
but added that, "without the housing
authority I wouldn't have the opportunity
to be a homeowner."

DEVASTATING CUTS TO PUBLIC HOUSING

In just six years, Kerry moved out of homelessness, into stable rental housing, and then purchased a home. Kerry's path was only possible because of multiple programs run by the Department of Housing and Urban Development (HUD) including Homeless Assistance Grants, which funds emergency shelter, the Public Housing Operating and Capital Funds, the FSS program, and the Self-Help Homeownership Opportunity Program, which supports organizations such as Habitat for Humanity.

The public housing program helped Kerry to resume a stable life, maintain employment, save money, and establish long-term goals. The nation's 1.2 million public housing units, including those at Beecher Terrace, provide a safe and decent home affordable to some of the lowest income households. In public housing tenants pay 30 percent of their income towards rent and the balance of the cost of operating the unit is paid by HUD. Without public housing units, many of the lowest income households would be unable to live within proximity to decent paying jobs unless they pay more than half of their income towards rent. which would severely limit their resources for other basic necessities including food, health care, and transportation.

In the past decades, the government robustly funded the operations and repair of public housing, however, since fiscal year 2010 funds have been cut cumulatively by \$3.7 billion Sequestration cuts are the latest in a succession of reductions crippling the maintenance and operation of these valuable housing units. In fiscal year 2013, public housing operations are funded at only 81 percent of the total cost of operations after sequestrationiv Underfunding capital repairs in 2013 only contributes to the now \$26 billion backlog of capital needs for public housing units.v

FEWER OPTIONS TO FOLLOW IN KERRY'S FOOTSTEPS

It is doubtful that Kerry Jones could repeat his remarkable housing journey today. Sequester cuts have forced public housing agencies and non-profits to provide fewer resources to low-income households in 2013. Public housing agencies didn't receive sufficient funds to maintain full operations of all public housing units prior to sequestration; after sequestration cuts, many of those units are at risk of being lost. According to LMHA, resident services that the agency is able to offer, such as the FSS program, are continually threatened by funding cuts. The number of people unstably housed and on the brink of homelessness will only increase unless these housing resources are restored.

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AUTHORS

Public Housing Authorities Directors Association, Healing Place Shelter, and National Low Income Housing Coalition



ROAD CLOSED

NDD UNITED

INFRASTRUCTURE



The biggest concern would be if we have a very active hurricane season and we have back-to-back storms or we have multiple storms hitting the state, they would simply not have the manpower necessary to ensure they have the appropriate coverage in all their field offices to provide us with the most accurate and timely forecast, said Bryan Koon, director of the Florida **Division of Emergency** Management.

[WCTV, 5/28/13] FLORIDA

Some of this infrastructure is more than a hundred years old, but wasn't designed with more than a 50-year lifespan in mind. There's simply not enough money to replace all the bridges that need it, so the question is how much can we can we repair? - Rick Grant, Owner of Russell Corrosion

[NEW YORK DAILY NEWS, 8/2/2013] MARYLAND

Under the sequester and the current climate of fiscal uncertainty, the FAA needs to make sizeable budget cuts that affect our operations, NextGen and our future. - Micheal Huerta, Federal Aviation Administrator

[GOVERNMENT EXECUTIVE, 9/13/13]

Sequestration substantially increases the risk that the **United States will not** be a weather-ready nation. Communities that experience a heightened risk of severe weather... face the chance of greater danger because the Weather Service will not be operating at 100 percent. - Kevin Kelly, Weather Service Advocate

FWASHINGTON POST. 2/26/131

[Unfilled staff positions due to budget cuts] could have a detrimental effect on everybody's public safety. Once you start limiting staffing, you start raising the potential for disaster. - Bob Ebaugh, Miami Steward for the National Weather Service Employees Organization

[HUFFINGTON POST MIAMI, 4/23/13] FLORIDA

Currently, 32 percent of America's major roads are in poor or mediocre condition, costing U.S. motorists who are traveling on deficient pavement \$67 billion a year, or \$324 per motorist, in additional repairs and operating costs.

[AMERICAN SOCIETY OF CIVIL ENGINEERS]

Perhaps the policymakers currently locking political horns over the federal budget would be quicker to avert the sequestration if they anticipated the water main breaks, tainted drinking water and sewage overflows that could afflict communities when austerity measures hit.

- Wenonah Hauter of Flood and Water Watch

[ENVIRONMENT NEWS SERVICE, 3/1/13]

[The federal Highway Trust Fund] no longer can serve as a source of capital for new infrastructure and funding large capital-intensive projects with current user-fee revenues no longer is feasible. - Ken Orski, Transportation Expert

[GREATER BALTIMORE COMMITTEE, 4/26/13] MARYLAND

After rescissions and the national sequester, the U.S. Forest service had \$922 million available for wildfire suppression in 2013.... Earlier this month, the U.S. Forest Service increased their preparedness level to PL-5, the highest level on the scale, indicating that resources were stretched thin....

[ACCUWEATHER, 9/18/13]



AMERICANS RELY ON AN OFTEN FORGOTTEN INFRASTRUCTURE

Our national economy relies on a robust and safe infrastructure. While essential for public health and transportation, maintaining and modernizing our national infrastructure also creates jobs in every community across the country. Furthermore, the ability to move goods efficiently across the nation is vital to maintaining our competitive advantage in the global economy. The federal government must restore its investment in infrastructure to ensure a strong and sustained national economy.

Whether traveling by air, rail, road, or waterway, the intricate network of American infrastructure allows this country to function seamlessly over 3.8 million square miles. This infrastructure comprises the commercial and recreational arteries of our nation and their function is essential for our continued economic prosperity. The federal government, which spurred many improvements throughout our history, must continue to invest in the national

infrastructure to maintain these necessary economic pathways as well as ensure the safety of all American travelers.

Years of underfunding together with recent budget cuts are eroding our nation's infrastructure. The government's diminished investments and recent budget cuts in our national infrastructure has faltered recently, and it is now beginning to crumble. High-profile bridge failures and roads in disrepair slow the movement of goods around our nation. Ports and navigable waterways handle more than 95 percent of overseas trade: however, these facilities must be maintained and modernized in order to keep up with increasing activity. Poorly designed and maintained travel facilities slow air traffic all around the nation. Combined, this congestion costs our economy more than \$100 billion each year, and this doesn't even begin to account for any safety issues caused by these declining networks.

Efficiently functioning water systems are critical for the economic vitality and physical health of communities across the nation. However, our national investment in water infrastructure has not kept pace with the demands of this

important system. Many of the pipes that deliver potable water to homes and businesses are more than 100 years old and desperately in need of replacement. The dams and levees that protect communities and provide drinking water and electricity are in significant need of repair. And our national investment in the disposal of wastewater and solid waste has not kept pace with population growth.

The stories included in this chapter emphasize the value of our nation's infrastructure, its erosion as a result of continued neglect, and the overarching opportunity costs of austerity.

FEDERAL ROLE: Key Infrastructure Agencies

DEPARTMENT OF TRANSPORTATION is the primary agency in the federal government with the responsibility for shaping and administering policies and programs to protect and enhance the safety, adequacy, and efficiency of the transportation system and services.

DEPARTMENT OF COMMERCE promotes job creation, economic growth, sustainable development and improved standards of living for all Americans by working in partnership with businesses, universities, communities and our nation's workers.

DEPARTMENT OF THE INTERIOR protects America's natural resources and heritage, honors our cultures and tribal communities, and supplies the energy to power our future.

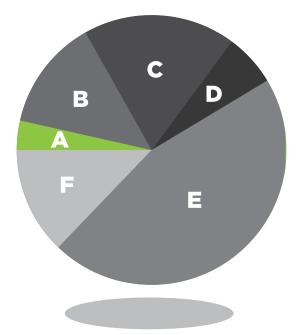
DEPARTMENT OF AGRICULTURE (USDA) provides leadership on food, agriculture, natural resources and related issues. The U.S. Forest Service is the primary agency in the USDA promoting the use of green infrastructure techniques.

DEPARTMENT OF ENERGY and its technical expertise is used to ensure the security, resiliency, and survivability of key energy assets and critical energy infrastructure at home and abroad.

ENVIRONMENTAL PROTECTION AGENCY is committed to promoting sustainable practices that will help ensure that citizens continue to enjoy the benefits of clean and safe water.

INFRASTRUCTURE NEEDS OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

CATEGORY	2013
A) INFRASTRUCTURE	3.51 %
B) OTHER NDD	13.39%
C) DEFENSE DISCRETIONARY	18.20%
D) NET INTEREST PAYMENTS	6.45%
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %
F) OTHER ENTITLEMENT PROGRAMS	12.72%



Source: CBO May 2013 Baseline



AUSTERITY PLACES CLEAN WATER AT RISK

FEATURING: Wenonah Hauter, Food and Water Watch

FEDERAL ROLE IN CLEAN, SAFE WATER

Before 1972, there were few national enforceable requirements for drinking water, though many states had drinking water regulations. Congress passed the Safe Drinking Water Act (SDWA) in 1972, largely due to the then-recent discovery of organic contamination in public drinking water, and the lack of enforceable national standards to contend with them. The SDWA was amended in 1986 and again in 1996. The latter amendments especially emphasized sound science and risk-based standards setting. It also introduced for the first time the multi-billion-dollar Drinking Water State Revolving Fund, to bring assistance in the form of low-interest loans to utilities building and/or improving their infrastructure.

Also in 1972, Congress passed farreaching legislation, the Clean Water
Act (CWA), which is to this day the
major federal legislation governing
wastewater in the United States. To assist
municipalities in creating or expanding
sewage treatment plants, Title II of the
CWA established a system of construction
grants. This was replaced by the Clean
Water State Revolving Fund in the 1987.

A number of agencies in the federal government are intricately involved in determining the nation's water priorities, these include: Environmental Protection Agency, United States Bureau of Reclamation, and the U.S. Department of Agriculture through the Natural Resources Conservation Service and the Rural Utilities Service. A number of additional agencies also provide avenues that enrich the nation's freshwater resources to include the Fish and Wildlife Service, the National Oceanographic and Atmospheric Administration and the U.S. Geological Survey.

MUNICIPAL WATER SUPPLIES AT RISK

Most people don't realize just how much planning, design, and work goes into delivering water to their home. Providing an adequate water supply for a community includes three things:

- Finding and developing an adequate water source;
- Treating the water to so it is clean enough to drink; and
- Delivering the water to every residential, commercial, and industrial building within the service

These infrastructure needs are under constant budget pressures, as states and municipalities rely on federal funds to accomplish improvements the local government can't afford in a difficult environment. Water experts and advocates warn that sequestration makes an already difficult situation nearly impossible. Says Wenonah Hauter of Food and Water Watch:

With sequestration, the State Revolving Funds—the most common mechanism through which communities receive federal support for their drinking and wastewater systems—have been cut by about five percent, or \$210 million.

Providing clean drinking water is only part of the story. Funding reductions under sequestration would impact states' ability to meet drinking water public health standards and to reduce the nitrogen and phosphorus pollution that contaminate drinking water supplies, cause toxic algae blooms, and deprive waters of oxygen that fish need to survive. The EPA reports that "this reduction would result in the elimination of more than 100

water quality protection and restoration projects throughout the United States."

Most of us don't think about water delivery and reliability on a daily basis—when we wake up, and turn on the sink, shower, or flush the toilet. However, inadequate funding would have severe consequences for water safety and sewage treatment. As Wenonah notes:

The consequences of inadequate funding for our essential drinking and wastewater systems would be nothing short of tragic. Perhaps the policymakers currently locking political horns over the federal budget would be quicker to avert the sequestration if they anticipated the water main breaks, tainted drinking water and sewage overflows that could afflict communities when austerity measures hit.

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Perhaps the policymakers currently locking political horns over the federal budget would be quicker to avert the sequestration if they anticipated the water main breaks, tainted drinking water and sewage overflows that could afflict communities when austerity measures hit.

- WENONAH HAUTER



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BUDGET CUTS TO ROADS AND BRIDGES THREATEN TO BREAK TIES THAT BIND NATION TOGETHER

ROADS: A FRAYING NETWORK

The United States is the third largest country in the world in terms of land area, and an intricate lattice of roads and bridges tie the country together.

The importance of the American road network cannot be overstated—more than 8 billion miles are traveled on American roads every day. Thus, these arteries of American commerce must be maintained and improved on to ensure the seamless transit of people and commodities across the country.

Our nation's roads must be repaired and modernized to improve economic activity and reduce the 38 hours Americans spend on average in gridlocked trafficil According to the Federal Highway Administration it would require at least \$13 billion per year more in spending than all levels of government spend on an annual basis to maintain current performance. Funding for all highway improvement projects would require even more—up to \$83 billion per year more than current spending by all levels of government.

The American Society of Civil Engineers, a group dedicated to improving the national infrastructure and preserving public health, said the cost of traffic congestion is higher than the costs of maintaining and repairing the road system. The Society notes "Fortytwo percent of America's major urban highways remain congested, costing the economy an estimated \$101 billion in wasted time and fuel annually." iv Furthermore, because our national roads are deteriorating, the cost of operating vehicles increases for all Americans. Says the Society:

Currently, 32 percent of America's major roads are in poor or mediocre condition, costing U.S. motorists who are traveling on deficient pavement \$67 billion a year, or \$324 per motorist, in additional repairs and operating costs.

THE ROAD TO INSOLVENCY

First established in 1956 to finance the United States Interstate Highway System, the Highway Trust Fund supports roads, bridges, and mass transit. The trust fund's revenue is generated through a federal fuel tax of 18.3 cents per gallon on gasoline and 24.4 cents per gallon of diesel fuel and related excise taxes—rates that were last increased in 1993.

While exempt from sequestration, the revenue into the fund has nonetheless declined as cars have become more fuel-efficient and Americans are driving less because of higher gasoline prices. As a result, the Highway Trust Fund is insolvent and its trajectory is "unsustainable," according to the Congressional Budget Office.

Congress has avoided recent shortfalls by transferring to the trust fund \$41 billion from the Treasury since 2008, and an additional transfer of \$12.6 billion is scheduled for 2014, vi Starting in 2015, the trust fund will have insufficient resources to meet all of its obligations, resulting in steadily, accumulating shortfalls. According to CBO, bringing the trust fund into balance in 2015 would require "entirely eliminating the authority in that year to obligate funds (projected to be about \$51 billion), raising taxes on motor fuels by about 10 cents per gallon, or undertaking some combination of those approaches."

SUPPORT COLLAPSING FOR NATION'S BRIDGES

Bridges are critical for the functioning of our national road network. Underscoring the importance of our nation's bridges, the Society notes:

The health of our nation's bridges is directly tied to the nation's ability to compete in a global marketplace. Therefore, it is of growing concern that the bridges in our nation's metropolitan areas, which are an indispensable link for both millions of commuters and freight on a daily basis, are decaying more rapidly than our rural bridges.vii

Stories of bridge deficiencies have become commonplace. Recent bridge failures in Minneapolis, viiii Mt. Vernon, ix and Green Bayx are symptomatic of a national epidemic. Nearly one-quarter of all American bridges are either functionally obsolete or structurally deficient—meaning the bridge is in need of frequent monitoring and critical, near-term maintenance, rehabilitation or replacement.xi An especially troubling statistic when considering the volume of traffic these bridges handle. According to Transportation for America:

Structurally deficient bridges in metropolitan areas carry a disproportionate share of all trips taken on a deficient bridge each day. In fact, deficient bridges in the largest 102 metropolitan areas carry three-quarters of all traffic crossing a deficient bridge. Put another way, there are more deficient bridges in these 102 regions than there are McDonald's restaurants in the entire country – 18,239 versus about 14,000. Worldwide, McDonald's serves a staggering 64 million people a day. But here in America, 210 million trips are taken

METROS 500,000 - 1 MILLION, RANKED BY PERCENT OF DEFICIENT BRIDGES

Rank	Metro Population 2009	Metro Area Name	Percent Deficient	Total Deficient Bridges	Average Daily Traffic On Deficient Bridges	Drivers Crossing Deficient Bridge Every Second
1	929,015	Tulsa, OK	27.5 %	783	3,809,427	44
2	507,766	Lancaster, PA	26.5%	198	734,532	9
3	549,454	Scranton, PA	26.1%	239	1,157,189	13
4	562,906	Des Moines, IA	24.3%	358	559,735	6
5	816,012	Allentown, PA	21.5%	234	1,374,885	16
6	849,517	Omaha, NE	19.0%	492	466,802	5
7	562,963	Youngstown, OH	18.9%	228	789,241	9
8	536,919	Harrisburg, PA	18.4%	175	891,188	10
9	674,860	Stockton, CA	18.0%	115	2,453,016	28
10	714,765	Greensboro, NC	16.0%	199	1,014,005	12

METROS 1-2 MILLION, RANKED BY PERCENT OF DEFICIENT BRIDGES

1	1,227,278	Oklahoma City, OK	19.8%	685	1,857,956	22	
2	1,839,700	San Jose, CA	18.7%	189	5,906,551	68	
3	1,600,642	Providence, RI	18.6%	212	3,933,150	46	
4	1,745,524	Charlotte, NC	12.1%	217	1,060,518	12	
5	1,035,566	Rochester, NY	12.0%	142	1,171,304	14	
6	1,801,848	Columbus, OH	11.1%	323	1,736,553	20	
7	1,743,658	Indianapolis, IN	10.9%	346	2,069,074	24	
8	1,304,926	Memphis, TN	9.9%	247	1,320,211	15	
9	1,131,070	Birmingham, AL	9.7%	227	1,284,706	15	
10	1,125,827	Raleigh, NC	9.7%	105	670,610	8	

METROS OVER 2 MILLION, RANKED BY PERCENT OF DEFICIENT BRIDGES

1	2,354,957	Pittsburgh, PA	30.4 %	1133	4,944,931	57	
2	4,317,853	San Francisco, CA	20.9%	380	15,600,871	181	
3	5,968,252	Philadelphia, PA	20.0%	907	9,355,193	108	
4	2,127,355	Sacramento, CA	15.4 %	211	5,135,871	59	
5	4,143,113	Riverside, CA	12.2%	296	5,020,110	58	
6	2,067,585	Kansas City, MO	12.1%	617	2,041,581	24	
7	4,588,680	Boston, MA	11.7 %	308	7,872,648	91	
8	4,403,437	Detroit, MI	11.5%	286	4,212,716	49	
9	2,091,286	Cleveland, OH	11.4%	213	2,453,811	29	
10	19,069,796	New York, NY	9.8%	778	17,505,467	203	

SOURCE: Transportation for America, "The Fix We're In For: The State of American Bridges."

daily across deficient bridges in just these 102 regions.vii

Investment in the nation's bridges is essential to improve safety and reduce congestion. However, funding for bridge repair and modernization are at only 60 percent of the level needed to fully address the problem.viii Further budget cuts to road and bridge programs will damage an already fragile system and threaten our national economic prosperity.

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PERFECT STORM FORMING AGAINST WEATHER FORECASTING

ACCURATE WEATHER FORECASTING ESSENTIAL TO ECONOMY AND SAFETY

A division of the National Oceanic and Atmospheric Administration (NOAA), the National Weather Service is the primary source of weather data, forecasts, and warnings for the United States, supplying raw data to weathercasters and private meteorologists, and acting as the sole official national source for warnings during life-threatening weather situations.

With some 5,000 employees in 122 weather forecast offices, 13 river forecast centers, 9 national centers, and other support offices around the country, the National Weather Service provides the infrastructure to gather and process data across the nation and around the world. Each year, the National Weather Service collects 76 billion observations and issues approximately 1.5 million forecasts and 50,000 warnings.

The agency issues more than 734,000 forecasts—fire weather, public, aviation, marine—and 850,000 river and flood forecasts annually, including 45,000 to 50,000 potentially life-saving severe weather warnings.

Additionally, the agency's operations have a significant impact on the economy, as approximately one-seventh of the U.S. economy is weather sensitive. Industries such as construction, which contributes more than \$200 billion annually to the U.S. economy, are directly dependent on accurate short- and long-range weather forecasts. The National Weather Service forecasts are also critical to commercial and private transportation industries.

TIGHTENING BUDGETS, SHRINKING ACCOUNTS, WIDENING GAPS

Sequestration has resulted in the loss of more than \$157 million to NOAA's extremely tight, developmental budget, which includes the replacement of weather satellites. The importance of maintaining satellite vigilance of weather phenomena cannot be overstated. A recent study estimated that in 2008, "nearly half a trillion dollars of U.S. gross domestic product was impacted by weather variability. Moreover, 90 percent of all observation data used in three- to seven-day weather forecasts is acquired by satellites." Says weather enterprise advocate Kevin Kelly on sequestration;

This is a classic penny wise, pound foolish approach to deficit reduction that places lives and property in all parts of the country at greater risk.

The National Weather Service is increasingly under scrutiny for inferior computer modeling, and at times less accurate weather forecasting than in some other countries. For example, U.S. numerical weather prediction has fallen to third or fourth place worldwide, with the clear leader in global numerical weather prediction being the European Center for Medium Range Weather Forecasting. America has also fallen behind in "ensembles"using many models to give probabilistic prediction—and high-resolution operational forecasting.iv In addition to losing American leadership in modeling, budget cuts are leading to gaps in satellite coverage, an issue identified as a "high risk" challenge facing the federal government by the Government Accountability Office.

As Kevin explains, cuts as a result of sequestration are only magnifying the problems, and making solutions more difficult to identify:

Sequestration substantially increases the risk that the United States will not be a weather-ready nation. Communities that experience a heightened risk of severe weather – which affects large portions of the nation in the spring and summer – face the chance of greater danger because the National Weather Service will not be operating at 100 percent.



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If we have the will and we have the money -and the will is there by the countries that want to stop this problem to see -stop seeing children die needlessly. So we need the money. We have plans. It's not a difficult thing To Do. We Can Do It. - Dr. Joia Mukherjee, Chief **Medical Officer For** Partners In Health On If We Can Eradicate Malaria By 2015

[NPR, 4/25/11]

In March of this year we warned that the fight against TB was in serious danger through a lack of investment News that the Tuberculosis Trials Consortium's funding is going to be cut so radically because of the sequestration in Washington is a chilling fulfillment of that concern.
- Dr. Neil Schluger, Chief Scientific Officer of the World Lung Foundation

[WORLD LUNG FOUNDATION, 5/22/13]

The mandatory across-the-board federal budget cuts known as sequester are weakening America's ability to effectively carry out foreign policy...

[THE HILL, 3/25/13] WASHINGTON, DC

Foreign assistance programs are important for spurring our economy, too.
More than half of our exports go to the developing world now and that number is growing.
- Representatives Ander Crenshaw And Adam Smith

[POLITICO, 6/10/13] WASHINGTON, DC

If The US Cuts Aid To Africa... People Will Die.

President
 Clinton's National
 Security Adviser
 Anthony Lake

[THE CHRISTIAN SCIENCE MONITOR, 5/23/1995] AFRICA

The United States has stopped funding a charity that educates some of Afghanistan's most vulnerable abuse victims, including a tortured child bride and a teenager scarred by acid for refusing to marry a militia commander.

ITHE GUARDIAN, 8/18/131



SUSTAINING A MORE DEMOCRATIC, SECURE, & PROSPEROUS WORLD

Globally, the number of people living in extreme poverty has fallen by 700 million since 1990. This dramatic decline is mostly the result of hard work by poor people themselves, but U.S. foreign assistance has also played an important role. Still, 870 million people around the world suffer from chronic hunger, and 2.6 million children die each year from under nutrition. These numbers are daunting, but U.S. poverty-focused foreign assistance saves lives and helps improve conditions for millions more by giving people the tools they need to lift themselves out of poverty.

Each year, U.S. poverty-focused assistance:

- Saves more than 1 million lives by focusing on adequate nutrition during the 1,000-day window from pregnancy to age two.
- Provides medications that allow 200,000 at-risk infants to be born without HIV.
- Provides counseling to people affected with HIV; more than 33 million since 2004.
- Saves 3 million lives through immunization.
- Helps bring safe drinking water sources to poor communities, benefiting 1.3 billion people over the last decade.

These programs don't provide long-term handouts. They fight systemic poverty and provide a chance for people to thrive. For example, an American-funded project in Honduras successfully raised participating farmers' purchasing power by 87 percent, compared to an 11 percent increase for non-participating farmers.

Funding these programs is not only the right thing to do, it also demonstrates

American leadership, protects our national security and economic future, and helps create a more stable world by countering the desperation that can lead to political unrest, conflict, and extremism. By addressing the root causes of poverty, these programs also help ensure new markets for U.S. goods and services.

CUTS HAVE CONSEQUENCES

International poverty-focused development assistance comprises less than 1 percent of the entire federal budget, or about \$22 billion. These programs focus on issues of human needs, such as agricultural development and nutrition, emergency humanitarian assistance, global health, education, gender equality, and water and sanitation.

Programs

FEDERAL ROLE: Examples of Effective International Poverty-Focused Development Assistance

The United States Department of State's mission is to "advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure, and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system." The State Department runs several key programs to advance this global mission:

MILLENNIUM CHALLENGE CORPORATION (MCC) is an independent U.S. foreign aid agency that helps deliver smart U.S. foreign assistance by focusing on good policies, country ownership, and results.

FEED THE FUTURE is the federal government's global hunger and food security initiative, supporting country-driven approaches to address the root causes of hunger and poverty. Through this presidential initiative, the United States is helping countries transform their own agricultural sectors to grow enough food to sustainably feed their people.

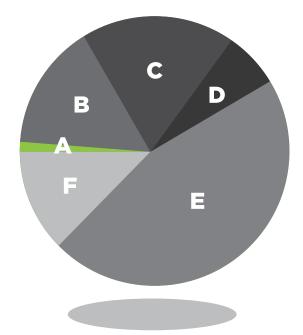
PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF (PEPFAR) helps save the lives of those suffering from HIV/AIDS around the world.

FOOD FOR PEACE provides emergency food assistance to those affected by conflict and natural disasters and provides development food assistance to address the underlying causes of hunger.

MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM is a global school feeding program that promotes education, child development, and food security for some of the world's poorest children. The McGovern-Dole Program provides donations of agricultural commodities and financial and technical assistance for school feeding and maternal and child nutrition projects in low-income countries.

INTERNATIONAL AFFAIRS & DIPLOMACY OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

CATEGORY	2013
A) INTERNATIONAL AFFAIRS	1.39%
B) TOTAL NDD	15.51%
C) DEFENSE DISCRETIONARY	18.20%
D) NET INTEREST PAYMENTS	6.45 %
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %
F) OTHER ENTITLEMENT PROGRAMS	12.72%



Source: CBO May 2013 Baseline



Since 2010, international humanitarian affairs and poverty-focused development assistance have been cut by 7.6 percent, before sequestration. With sequestration in place, greater cuts will bite into these programs. In 2013 alone, because of sequestration:

- 571,344 FEWER CHILDREN in developing countries will receive nutritional interventions designed to save their lives and help prevent the irreversible damage to their brains and bodies caused by malnutrition. iv
- 1.1 MILLION FEWER FARMERS AND BUSINESSES in poor countries will receive support from Feed the Future to improve their ventures and increase their economic return.ii As a result, their ability to grow their families and communities out of poverty will be greatly diminished.
- ② MILLION PEOPLE around the world will experience reduced or denied access to lifesaving food aid. vi

Poverty-focused development assistance provides lifesaving programs for millions of hungry and poor people, bolsters U.S. national security, and promotes trade and job creation both here and abroad. Poverty-focused development assistance works to support those caught in humanitarian crises such as violent conflict or famine. It also builds long-term socioeconomic capacity so countries can eventually become self-sufficient. Despite recent budget cuts, poverty-focused development assistance has continued to reach millions of people. However, additional cuts could result in thousands of lives needlessly lost.

Further cuts to poverty focused accounts could mean:

- Increased instability and volatility in the world as rising food prices and drought go unattended, leading to higher levels of food insecurity.
- More lives needlessly lost due to infectious disease and more children born HIV-positive.

- Decreased resources for agricultural development projects aimed at helping small-scale farmers lift themselves out of poverty.
- Fewer mothers and children receiving nutrition assistance during pregnancy and the critical first two years of the children's lives—leading to an increase in malnutrition, stunting, and cognitive damage.

The stories featured in this chapter demonstrate the ways in which international poverty-focused development assistance programs save lives, expand U.S. trade, strengthen national security, and benefit some of the poorest people on earth. Cuts to these programs will cost lives and threaten all the progress that has been made.

International poverty-focused development assistance is a strategic investment that saves our country costly military interventions later. Research shows that for every 5 percent drop in income growth in a developing country, the likelihood of violent conflict within the next year increases by 10 percent.

As former Secretaries of State Madeleine Albright, Henry Kissinger, Colin Powell, Condoleezza Rice, and George Shultz articulated in a joint letter to Congress:

As former Secretaries of State from both Democratic and Republican administrations, we urge you to support a strong and effective International Affairs Budget. We believe these programs are critical to America's global leadership and represent strategic investments in our nation's security and prosperity.

We have seen first-hand how the International Affairs Budget is a strategic investment to advance America's interests throughout the world. Development and diplomacy programs are a cost-effective tool to tackle the root causes of conflict and extremism, build new markets for U.S. goods and services, respond to humanitarian crises, and demonstrate America's proud tradition of goodwill and global leadership.

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v This number is based upon a cost per beneficiary amount of approximately \$35, drawn from an analysis of funding from the USAID's three most recent International Food Assistance Annual Reports. Total Title II costs were divided by total number of beneficiaries served.

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vii Letter to Congress, November 14, 2011



POVERTY-FOCUSED DEVELOPMENT ASSISTANCE DELIVERS RESULTS, BUT SEQUESTRATION THREATENS PROGRESS

Like many poor countries, Liberia and Haiti have struggled for years to meet the needs of their people. Both countries have faced the entrenched challenges of hunger and poverty, and more recent events—two long civil wars in Liberia and the January 2010 earthquake in Haiti—have further impoverished many people.

"Both Haiti and Liberia had a string of unsuccessful governments—governments that were pretty incompetent, that didn't invest in agriculture, that didn't invest in the people," said W. Gyude Moore, an advisor to Liberian President Ellen Johnson-Sirleaf and a Bread for the World board member. "Both countries have huge infrastructure needs, and both are very, very poor."

Effective U.S. foreign assistance is critical to countries like these. Speaking of Liberia, Moore said, "Just imagine a country that for the last two decades has been disrupted by wars, coups, and different kinds of upheavals. This is where the help we get from U.S. foreign aid goes a long way."

As the following stories illustrate, Liberia and Haiti have great potential for progress. David Kpan, the Liberian farmer profiled in "The Sweet Taste of Cocoa," is a good example of U.S. aid that meets the needs of local people. He and other cocoa farmers have been able to rehabilitate their farms and provide for their families and communities. With continued U.S. assistance and the farmers' hard work, these kinds of results can be replicated throughout the country.

In Haiti, earthquake relief aid is still needed, but the country's long-term challenges require a different approach to aid—one that is better coordinated and involves all sectors of Haitian society. "The Power of the Purse" looks at how Fonkoze, a community microfinance organization that receives U.S. government assistance and support from U.S. churches, has helped women lift themselves and their families out of poverty. Small loans are the entry point into Fonkoze (which stands for Fondasyon Kole Zepòl, or Shoulder-to-Shoulder Foundation) for most women, but they soon experience multiple levels of support—including nutrition and literacy classes, and business skills development—that can help them rebuild their lives.

As the stories illustrate, effective U.S. foreign aid helps support the efforts of poor people themselves. Families can become self-sufficient—no longer just surviving but prospering. The investments, however, are being diminished by sequestration, the automatic and indiscriminate budget cuts currently in place. The stories below are just two examples of the effectiveness of U.S. foreign assistance and what is in jeopardy if sequestration continues.

THE SWEET TASTE OF COCOA

David Kpan's cocoa farm is a 20-minute walk from his home, across skinny dirt paths and small streams that lie under a couple acres of lush trees. Several of his kids trail after him, carrying colorful buckets and jugs of water.

When the green cocoa pods become yellowish-orange, they are ready to be harvested. David hoists a long stick with a hook on the end and quickly cuts the thick stem holding the pods to the trees. They drop to the ground with a soft thud. His 12-year-old daughter, Zlaymerno, collects the pods into a burlap sack, singing all the while, and brings them to four of her brothers who are sitting in a clearing.

Two of the boys whack the pods with sticks to break them apart; the other two scoop the gooey pink-white beans out of the shells into blue and orange buckets, and then hurl the shells onto a pile at the base of an enormous tree. Those shells are later used to make soap.

To get the highest quality cocoa possible, David follows strict fermenting and drying procedures. That means that after the family finishes their work for the day, all the beans are gathered into a pile and left to ferment for seven days under layers of banana leaves.

"The fermentation process is important because that's how we give flavor to the cocoa," David says. Of the four grades of cocoa, his is grade 2. "I can get to grade 1 if I follow the fermentation process."

After a week, David and his family carry the beans back to a solar dryer that sits near their house. The dryer is a huge help to David and neighboring cocoa farmers. Most farmers have to dry their beans outside, which is a significant obstacle in a country whose annual rainfall can sometimes reach 200 inches a year.

Inside the dryer, David walks down an aisle with trays of cocoa beans on either side. He leans over the waist-level trays,

spreading the beans out evenly and throwing the bad ones on the ground. The solar dryer is one of three ACDI-VOCA has helped build in the community. ACDI-VOCA receives funding from U.S. Agency for International Development (USAID), the U.S. Department of Agriculture (USDA), the World Bank, and other development funders, as well as partnering with private sector corporations. The farmers provide the building materials and ACDI-VOCA supplies the plastic sheeting that wraps over the structure's wooden frame. David can adjust the plastic to let out condensation; an opening at the top also performs the same function.

After the beans are fully dry, David bags them for market, hoisting them onto his motorbike for the trip. He can carry 100 kilos of beans at a time, and it usually takes him four trips to get his full harvest to the market.

THE POWER OF THE PURSE

Forty women sit on wooden chairs in the hot sun, holding their purses as they wait for their turn to repay their loans. They're clients of Fonkoze, Haiti's largest microfinance organization, which is supported by U.S. foreign assistance as well as U.S. churches—including many Bread for the World partners. The organization was founded by Haitian Catholic priest Father Joseph Philippe in 1994.

It's a serious occasion. While the gathering opened with prayer and singing, the group is silent as individual women stand and put their bills in numerical order before presenting them to the credit agent. Each carefully signs her name in a blue record book.

Rosemene Charles, a 44-year-old mother, has come to these meetings for seven years. Back then, she received a loan from Fonkoze for 600 Haitian dollars—about \$55. She used it to start a small business selling candies and cookies, but she was soon able to expand to other

products and locations. Not only does she sell her products at the local market, she also operates a small business from the front room of her house, a short walk away from this afternoon's meeting.

"When my profits started multiplying, I bought a goat, pigs, and now I'm making a profit," said Rosemene. "I just keep turning the money around and around, and my loan has become more as the years went by."

Her store is in a room off her front porch. Just behind her concrete house are a small garden, grapefruit and plantain trees, and a shed where she stores corn and other dried food. Nearby is her kitchen, a small wooden structure that includes bowls and pots for cooking. "I've come very far," says Rosemene with a quiet smile. "I didn't have this house you see; I built it while I was in Fonzoke. My house was a broken-down house before—nothing but pieces of wood standing up."

Several of Rosemene's children—who range from 6 to 24 years old—are home and helping with chores. She has been able to send all of them to school; seven years ago, she could only afford to send the oldest. "My satisfaction is that every year they move up to the next grade," she says.

Rosemene credits much of her success to her solidarity group, a small circle of close friends who take out loans together. If one woman has trouble repaying her loan one month, the other women can help her cover it.



"We've been together for so long," she says. "I don't think I ever want to leave these ladies. We're friends; we get together and have fun, we talk. We have so much that we share."

These solidarity groups join others to form what Fonkoze calls Credit Centers, larger groups of 30 to 40 women who work together to bring themselves out of poverty. Each center elects a chief who is trained to lead the women and offer education and literacy classes. The chiefs also represent the women at regional and national assemblies, ensuring that clients' input is incorporated into organizational decisions.

Rosemene's Credit Center, meeting today, calls itself "Fok Li Bon," meaning "It Has to Be Good." It's run by Elza LaFortune, a no-nonsense woman who arrived at the meeting via motorbike. A Fonkoze client for 10 years, she receives a stipend every three months to organize education, health, nutrition, and literacy classes for the women.

The literacy classes, held twice a week for two hours, begin with the women learning how to make the shapes of letters so they can sign their names. Rosemene is a member. "My parents never sent me to school," Rosemene says, "so every time I had to sign [my name], I had to make little crosses on papers. Now I'd like to know how to read and write. I'm going to feel like I'm a different person when I can sign my name."

Most of the women in Rosemene's Credit Center are graduates of the first two levels of Fonkoze's Staircase Out of Poverty program. The first—and newest—level, called Chemen Lavi Miyò (CLM, The Pathway to a Better Life), is an 18-month program geared toward helping the poorest of the poor—women who don't yet have the skills to manage even a small loan.

That would be women like Marie-Ange Lory, a 28-year-old mother of three who lives outside Mirebalais. Fonkoze case managers found her when they went to visit her mother and noticed a small shack outside the mother's home. "Is that where you cook or leave your animals?" they asked. The mother said no; it was her oldest daughter's home.

The shack was in such bad shape that Marie-Ange and her children had to put plastic bags over their heads when it rained so they wouldn't get wet. The case managers took photographs of her and the house, and quickly put her into the CLM program.

For the past 17 months, Marie-Ange has attended meetings twice a week with case managers who teach her and other women everything from caring for livestock to setting five-year personal and professional goals. They also learn about nutrition, how to identify when their children are sick, and the importance of drinking safe water.

"My life has turned around. Marie-Ange I have a house where no water comes in—it's got a cement floor—and my kids are going to school," Marie-Ange says. "I have five goats and 25 chickens. I'm moving forward."

Marie-Ange will soon graduate from CLM and move up to the next Fonkoze program, which is aimed at women who want to start a small business but need business, literacy, and education classes. Small loans have helped Rosemene and the majority of Fonkoze's 50,000 female clients across Haiti become more selfsufficient and provide for their families, but these women also contribute to the economic life of their communities-a critical factor in a country with no safety net, little infrastructure, and a banking system that was destroyed by the 2010 earthquake. With access to credit and other resources through Fonkoze's network of 41 branches, mostly located throughout rural Haiti, these women play a critical role in rebuilding Haiti.

"Before, I had nothing to do. But when I started with Fonkoze, all of a sudden I had lots of things to do. I had a business to run," says Rosemene. "I have moved up. I have moved forward with my life."



My life has turned around. I have a house where no water comes in—it's got a cement floor—and my kids are going to school.

- MARIE-ANGE LORY

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AUTHORS

Bread for the World







'We're already check-to-check,' explains 27-year old Etim Obong, Jr., student at **Focus Hope** machinist training program, which is on an indefinite hold due to sequestration. 'If they take something like this away, it's not gonna be good for our society at all.'

[MICHIGAN PUBLIC RADIO, 5/22/13] MICHIGAN

'In a time when we could have had more cash in the economy by having the government be a spender, be a customer to the economy, we didn't do that. In fact, we took more money out of the economy. For that reason, there's just less job opportunities for everybody entering the job market after college,' [Ben Rhiger, a 28-year-old warehouse worker in Portland, Ore] said. 'It just decreased any opportunity of getting more work experience. learning a trade or skill on the job, while being able to support ourselves.'

[NBC NEWS, 7/28/13] OREGON

At National Able Network, of the 103.000 individuals who come through our doors each year in the Chicago area alone, requesting help, we are only able to enroll and serve 3,700 (4 percent) with current levels of Workforce Investment Act (WIA) funding. And the steady decline of funding—for more than a decade and countingfor lifeline programs such as WIA, the Senior Community Service Employment Program, and the Trade **Adjustment Assistance** program will only compound the challenges that our clients and communities across the nation face. - Grace Jenkins, **President And Ceo Of The** National Able Network, Inc.

[RESPONSE TO NATIONAL SKILLS COALITION SURVEY] ILLINOIS

We operate the only home care aide training program in the area. This 85 hour course prepares individuals for employment in this rapidly increasing job market. We work very closely with home care agencies who employ our graduates to assure they have a competent workforce. The statistics are clear that we are on the threshold of a major shortage of trained home care aides as the population ages and health care delivery becomes more community based. With 90 percent of our students

living below 150 percent of the poverty level, they cannot afford the \$700 fee for this training. Without WIA funding we will struggle to keep our home care aide job training program afloat. We would likely decrease the number of times we offer the class, thereby adding to the impending shortage of workers. – Community-Based Organization, Cincinnati, Oh

[RESPONSE TO NATIONAL SKILLS COALITION SURVEY] OHIO

Jewish Vocational Service (JVS) helped 1200 people start new jobs last year. One of our programs, San Francisco's Healthcare Academy works closely with the University of California at San Francisco (UCSF), the largest employer in San Francisco, to train people coming off of welfare for administrative positions at UCSF. Close to 80 percent continue working at UCSF after the end of their internships. The demand for this program already exceeds capacity; we have 109 applications submitted for 20 training slots for a new training cycle beginning next month. If our funding is cut by sequestration, JVS would be forced to reduce or eliminate many of its services, like this program, that help people get back to work. - Abby Snay, Executive Director Of Jewish Vocational Services In San Francisco

[RESPONSE TO NATIONAL SKILLS COALITION SURVEY] CALIFORNIA

In 2010, more than 9 million individuals received WIA training and employment services, a 248 percent increase in participation rates in just two years. Despite skyrocketing demand for services, WIA programs would be forced to turn away nearly 300,000 adults, youth, and dislocated workers as a result of sequestration.

[NATIONAL SKILLS COALITION, 2/2013]



WORKFORCE DEVELOPMENT: HELPING WORKERS, BUSINESSES, AND THE ECONOMY THRIVE

Workforce development is about investing in our nation's most valuable resource, its people, and ensuring that individuals at all skill levels have access to the education and training services they need to succeed in today's labor market. Businesses cannot grow and prosper without a skilled workforce, and it is a skilled workforce that will allow our nation to continue to lead the global economy into the 21st Century. Among other things, federal workforce development programs:

Provide services such as adult basic education, occupational training or retraining, and labor market information and other employment services to help individuals get a job, keep a job, or get a better job.

- Help grow local and regional economies by working with industries to learn what their workforce needs are and aligning training programs to ensure workers have the necessary skills and credentials employers are looking for.
- Respond to large-scale economic dislocations—like plant closing or other mass-layoffs, or even natural disasters like Hurricane Sandy that result in significant job loss—to ensure workers and employers alike have the resources they need to limit economic hardships.

CUTS HAVE CONSEQUENCES

Despite on-going high unemployment and underemployment rates, funding for workforce development is just a tiny fraction of what the federal government spends annually. In fiscal year 2013, the federal government spent only 0.4 percent of its total budget on job training, less than 0.1 percent of our nation's overall economy.

Key workforce programs have lost more than \$1 billion in federal funding since just 2010, which has simply compounded years of disinvestment in these programs. We have impacted programs that serve a range of workers, including returning veterans, workers who lost their job during the recession, low-income seniors employed in community service jobs, and recent college graduates entering the labor market for the first time.

The majority of federal workforce development funding—for certain WIA programs, as much as 95 percent—flows directly to local communities, and many places rely disproportionately on federal funding to support employment and training programs (as compared to state or local funding).

Recent surveys by National Skills
Coalition and the National Association of
Workforce Development Professionals
show the real consequences of these cuts.

The stories from real people featured in this chapter demonstrate the ways in which often very deep federal workforce development funding cuts impact local

FEDERAL ROLE: Key Employment and Training Programs

WORKFORCE INVESTMENT ACT (WIA) provides employment and training services to youth, low-income adults, and dislocated workers through the American Job Center network, the nation's principle workforce development system.

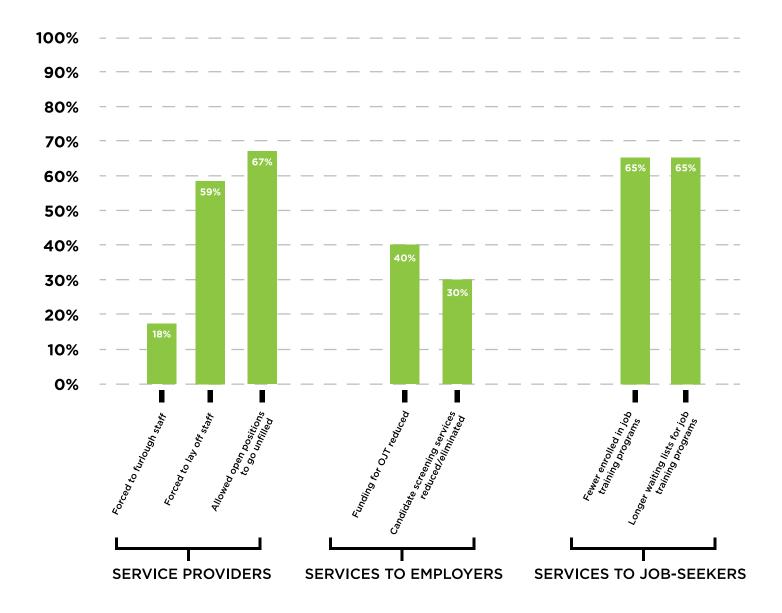
ADULT BASIC EDUCATION (ABE) helps adults get the basic skills—such as reading, writing, math, English language competency, and problem-solving—they need to be productive workers, family members, and citizens.

CAREER AND TECHNICAL EDUCATION (CTE) integrates academic and technical curriculum, and provides work-based learning opportunities, so students have the work-related skills necessary to succeed in postsecondary education, training, and employment.

VOCATIONAL REHABILITATION (VR) helps individuals with disabilities, including those with significant disabilities, achieve employment outcomes consistent with their strengths, interests, and abilities.

WAGNER-PEYSER EMPLOYMENT SERVICES (ES) provides job search assistance, job referral, and placement assistance for job seekers, re-employment services to unemployment insurance claimants, and recruitment services to employers with job openings.

CONSEQUENCES OF CUTS

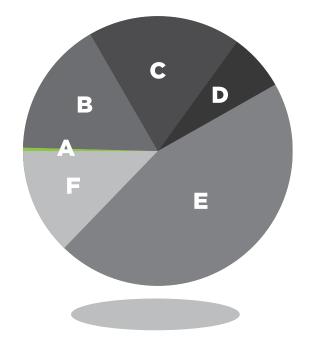


communities across the country. With our nation's labor market still struggling to recover from the Great Recession, these stories make clear the impact of funding cuts on jobseekers and employers alike.



JOB TRAINING OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

CATEGORY	2013
A) JOB TRAINING	0.42%
B) OTHER NDD	16.48%
C) DEFENSE DISCRETIONARY	18.20%
D) NET INTEREST PAYMENTS	6.45 %
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %
F) OTHER ENTITLEMENT PROGRAMS	12.72 %



Source: CBO May 2013 Baseline

In 2010, more than 9 million individuals received WIA training and employment services, a 248 percent increase in participation rates in just two years. Despite skyrocketing demand for services, WIA programs would be forced to turn away nearly 300,000 adults, youth, and dislocated workers as a result of sequestration.

According to Michael K. Holmes, Executive Director, St. Louis County Workforce Investment Board:

Cuts to [WIA] funding means limited training opportunities for job seekers, which in turn means a smaller pool of skilled workers for St. Louis businesses and industry. The talent and skills needed for occupations such as nursing, advanced manufacturing, transportation and a variety of other in-demand jobs in the St. Louis metropolitan area are in short supply. Without retraining of our out-of-work citizens, we are not going to have the supply for the demand of our areas businesses. We are all struggling and taking away opportunities from our customers is not good for business and not good for our region.

SOURCES

i The unemployment rate was 7.3% in August 2013, while the underemployment rate (the more comprehensive BLS U-6 measure) was 13.7% in August 2013.

ii Based on calculations by the Center on Budget and Policy Priorities

iii "National Income and Product Accounts, Gross Domestic Product, 2nd quarter 2013 (second estimate) Corporate Profits, 2nd quarter 2013 (preliminary estimate)." U.S. Department of Commerce, Bureau of Economic Analysis, August 29, 2013 (available at http://www.bea.gov/newsreleases/national/gdp/adpnewsrelease.htm)

iv "Fiscal Year (FY) 2013 Appropriations for Job Training and Education: Funding Analysis of Key Discretionary Programs Under U.S. Depts. Of Labor and Education." National Skills Coalition, May 2013 (available at http://www.nationalskillscoalition.org/about/summit/2013-summit/2013-materials/fy-2013-approps-chart.pdf)

v "Not Ready to Compete: Declining federal investment in a skilled, competitive U.S. workforce 2002-2007." National Skills Coalition (previously The Workforce Alliance), 2008 (available at http://www.nationalskillscoalition.org/federal-policies/federal-funding/federal-funding-documents/twa_notreadytocompete 2007-02-05 pdf)

vi This \$1 billion figure is based on cuts to a selected set of key workforce development programs under the Departments of Labor (DOL) and Education (DOEd), and as a result understates the total cuts—about 12 percent—to DOL and DOEd since 2010. It is important to note that the pie figures in the previous paragraph use a slightly broader definition (which includes non "key" programs); under this broader aggregate category, funding cuts have been about 16 percent since 2010.

vii http://www.nawdp.org/AM/Template. cfm?Section=Did_You_Know1&template=/CM/ ContentDisplay.cfm&ContentID=4926





BUDGET CUTS MEAN LOST OPPORTUNITIES FOR THOSE SEEKING WORK

FEATURING: Focus: HOPE, Detroit Michigan

MATCHING WORKERS AND EMPLOYERS TO REBUILD DETROIT

A chance meeting on a bus put Deangelo Simpkin, 25, on a path to a career and financial stability.

Deangelo met Judith, a Focus: HOPE employee, as both were traveling by bus to Chicago. Brantley offered to assist Deangelo with his resume and job search. Before long, Deangelo had two job interviews and decided to enroll in Focus: HOPE's "Earn & Learn" program, which provided him with four weeks of jobreadiness training. Now, he's earning a great wage as a laborer and plans to pursue additional training to become a licensed electrician.

A few weeks later, Deangelo was hired into a seasonal job with Greening of Detroit, a nonprofit resource agency that supports efforts to improve the ecosystem in Detroit. As that job was ending, he interviewed for a permanent job as a construction laborer with O'Brien Edwards Construction. Now, he's earning a great wage as a laborer and plans to pursue additional training to become a licensed electrician.

HELPING PEOPLE ON PATH TO SELFSUFFICIENCY

Focus: HOPE largely serves low-income, minority individuals and families on their path to becoming self-sufficient. Focus: HOPE's workforce development and education programs primarily serve adults (18+ years of age) and include:

The Machinist Training Institute (MTI) trains individuals to become certified

Computer Numerical Control (CNC) Machinists. Between 70 and 80

percent of graduates are placed into a job within three months of graduation.

The Information Technologies

Center (ITC) trains people for careers in information technology through programs that lead to several certifications. Some graduates continue on to the bachelor's degree program.

* The Center for Advanced

Technologies (CAT) supports minority students in engineering degree programs, beginning with their preparedness for postsecondary studies.

Earn and Learn is a four-week program specifically targeting young adult men living in Detroit, the long-term or "structurally unemployed" population, and ex-offenders in need of work skills and experience. Following the program, graduates are entered into subsidized employment and provided funding for further postsecondary education and training.

FEDERAL CUTS TAKE HOPE AWAY

Middle-skill jobs, which require more than high school but not a four-year degree, make up 50 percent of all jobs in Michigan, but only 45 percent of Michigan workers have the appropriate training for these jobs. Investments in programs offered by Focus: HOPE help close this skills gap and provide the skilled workers that employers need.

However, since FY 2012, federal employment and job training funds for Focus: HOPE has been cut by more than \$5 million.

Once a 24-week long program, the MTI program was cut back to 12 weeks. The additional skills that are gained in the 24-week program translate to higher wages, better job security, and lower cost to the public over time. Currently, there is a wait list to be accepted.

At its peak, CAT enrolled 140 students. Now there are only 36 and a wait list. Even though job growth in the IT field is expected to grow faster than any other sector, ITC is only able to run shorter-length programs, such as the Customer Service Support (CSS) and Technical Support Specialist (TSS), due to Workforce Investment Act cuts.

Programs that require more than a year of training for certification-- and have correspondingly higher salaries—are no longer enrolling new participants. Earn and Learn, the program that helped Deangelo secure employment, and could serve more than 700 students in the fall of 2013, will likely be discontinued unless other sources of funding are secured.

Two-thirds of the way through the fiscal year, the organization is down 160 WIA-funded training spots. At the current pace, 250 to 350 students will miss out on job training.

Due to federal cuts, the program that helped Deangelo secure employment will likely be discontinued.

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CUTS TO WORKFORCE INVESTMENT PROGRAMS LIMIT SKILL-BUILDING OPPORTUNITIES

FEATURING: The Lane Workforce Partnership, Lane County, Oregon

A PATH FORWARD FOR UNEMPLOYED

Like many residents in Lane County,
Oregon, where unemployment is 7.6
percent as of April 2013, Scott Raney
had been unemployed for too long and
was having trouble finding work. Then
a career advisor at Lane Workforce
Partnership pinpointed skill sets Scott had
been overlooking. The advisor referred
him to Arcimoto, a recently launched,
Eugene-based company building twoseat, three-wheeled electric vehicles,
looking to hire new designers.

Scott had some previous experience in the design program used by Arcimoto, but he needed additional training to hone his skills. The company hired him through On-the-Job-Training (OJT) program, enabling Scott to work and earn income while gaining these necessary skills. Scott is now creating 3-D Computer-Aided Design drawings and producing blueprints for the production of electric cars. He credits Lane Workforce Partnership for seeing his potential and helping him to gain the skills to obtain fulfilling and gainful employment.

CONNECTING BUSINESSES AND SKILLED EMPLOYEES

Lane Workforce Partnership is a business-led workforce development organization dedicated to meeting the skill needs of employers and to helping individuals gain the knowledge and skills to find a first, new, or better job. The Partnership provides services to businesses and jobseekers through its workforce delivery system, WorkSource Lane.

For businesses, WorkSource Lane recruits, screens, tests, and refers applicants to businesses seeking to fill positions;

provides rapid response to businesses facing layoffs and closures; and provides workforce information and statistics. For jobseekers, WorkSource Lane provides job readiness training including resume writing, skills assessments, computer classes, OJT, vouchers to purchase skills training, and job search assistance, as well as access to community resources and additional professional development opportunities.

BUDGET CUTS LIMIT SKILL-BUILDING OPPORTUNITIES

Middle-skill jobs, which require more than high school but not a four-year degree, make up 49 percent of all jobs in Oregon, but only 43 percent of Oregon workers have the appropriate training for these jobs. Investments in programs offered by Lane Workforce Partnership help close this skills gap and provide skilled workers that employers need.

Unfortunately, these investments in the Lane County workforce are at risk. Over the last three years, the Lane Workforce Partnership has seen a 14.5 percent reduction in Workforce Investment Act (WIA) youth funds, resulting in a 30 percent reduction in the number of low-income youth receiving workforce development services, including internships and paid work experience.

The Partnership has also seen a 13.7 percent reduction in WIA adult funding and 27.6 percent reduction for dislocated workers. As a result, the number of vouchers available to jobseekers for skills training has fallen from 160 to 43 and OJT opportunities are down from 101 to 63. Staff reductions have impacted the accessibility of career navigation and counseling services.

Due to sequestration, Lane Workforce Partnership faces a further cut of 11.5 percent to WIA funding, resulting in scaled back programming. For example, training scholarships will be further reduced from 63 to 43, two career advising positions will be eliminated, and workforce services at a satellite office at Lane Community College will be discontinued.

Scott is now a designer at Arcimoto creating 3-D Computer-Aided Design drawings and producing blueprints for the production of electric cars.

Over the past three years the number of vouchers available to jobseekers for skills training has fallen from 160 to 43, and Onthe-Job Training opportunities are down from 101 to 63.

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BUDGET CUTS CLOSE DOORS ON PRE-APPRENTICE-SHIPS, SLOW ECONOMIC GROWTH

FEATURING: Southwest Ohio Region Workforce Investment Board, Cincinnati, Ohio

CLOSING THE SKILLS GAP

In February, the Southwest Ohio Region Workforce Investment Board (SWORWIB) and the Greater Cincinnati Building and Construction Trades Councils held a Construction Apprenticeship Fair. Mareo Akins, Thomas Davis, Deonte Freeman, and Antonio Renato, who had graduated from a pre-apprenticeship program at the Cincinnati Labor Agency for Social Services, were well-positioned to sign up for an apprenticeship that day.

For those whose math and reading skills do not meet the minimum standards for apprenticeships or need other work readiness training, pre-apprenticeship programs like these help bridge that gap. Held over six weeks, the program included 32 hours of soft skills training and 40 hours of math. Deonte has been accepted into a Sheet Metal Workers apprenticeship, Mareo into a Laborers apprenticeship, Antonio into the Iron Workers, and Thomas into Bricklayers. These paid apprenticeships will put these men on a path to a well-paying career in the construction trades.

Ohio, like many states, is experiencing a skills gap for workers at the middle-skill level: jobs that require training beyond high school but not a four-year degree. Without funding for programs like preapprenticeships, the middle-skill gap will be closed and businesses will not be able to grow. In addition, area residents will be left without opportunities to embark on a family supporting career path.

SWORWIB oversees the policy and funding for the public workforce system in Cincinnati and Hamilton County. This includes Workforce Investment Act (WIA) funding of the One-Stop job center called the SuperJobs Center, employer services, and services to dislocated workers, lowincome adults, and youth.

Services include job-readiness workshops and career coaching, providing vouchers

for individuals to use toward job training programs, On-The-Job Training (OJT), veteran services, and rapid response assistance in instances of company closures and layoff. The SWORWIB contracts with non-profits that work with at-risk and disadvantaged youth from the ages of 16-21. Services include college planning, mentoring services, career guidance, work experience, summer jobs, full-time job placement, GED tutoring, drop-out recovery, and many others.

The SWORWIB also provides four employer-driven career pathways that include career health care, construction, advanced manufacturing, and information technology. These pathways have offered services and training to thousands of displaced, low-income and incumbent workers that have led to thousands of job placements.

In addition, SuperJobs offers services to employers ranging from posting jobs to coordinating hiring events and job fairs to screening candidates. From July 1, 2012 through May 21, 2013, SuperJobs has worked with more than 250 employers more than once.

FEDERAL FUNDING CUTS LIMIT OPPORTUNITIES FOR SKILL SEEKERS

Middle-skill jobs, which require more than high school but not a four-year degree, make up 51 percent of all jobs in Ohio, but only 48 percent of Ohio workers have the appropriate training for these jobs. Investments in programs like those offered by SWORWIB help close this skills gap and provide the skilled workers that employers need.

Due to funding cuts over the past three years, Cincinnati/Hamilton County has reduced the services to employers and jobseekers by cutting staff at the SuperJobs Center, delaying overdue updates to the resource room computers,

closing two satellite one-stop centers, and eliminating late hours. Limited WIA Youth funds have resulted in the closure of the summer youth employment program since 2009.

The cuts have also impacted the services SuperJobs staff can provide for employers. The SuperJobs Center used to have business service staffers devoted to industry sectors that assisted with candidate screening, but has discontinued this service except in rare instances.

As a result of sequestration, the SuperJobs Center will receive a 26 percent cut to its budget. Contracted youth services providers will also be cut by approximately 15 percent. All training for jobseekers has been suspended - services that help to bridge the gap between unemployment and a job will be cut back, youth services will be reduced, and there will be significant staff reductions.

These cuts will have a significant impact. During fiscal year 2012-2013, SuperJobs provided services to more than 5,000 jobseekers and more than 250 employers. Many of those jobseekers took advantage of job readiness classes, such as searching online for jobs or developing a strong resume. Some were eligible to take short-term skills training for in-demand jobs. During that time, staff helped 665 low-income adult and displaced workers find jobs.



Without funding for programs like preapprenticeships, the middle-skill gap will keep businesses from growing and local residents from securing family supporting jobs.

As a result of sequestration, all training for jobseekers has been suspended.

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CAREER PATHWAY INITIATIVE HELPS MOTHER AND LOCAL HOSPITAL

National Park Community College Career Pathways Program, Hot Springs, Arkansas

FACILITATING EDUCATION FOR NEW CAREER PATHS

As a newly-single mother of five, Anna needed to make some changes to support her family. She went back to school, enrolling at National Park Community College (NPCC), stopped homeschooling her children, and enrolled them in public school

Her youngest child, however, was not old enough for full school days, and Anna struggled to find adequate and affordable child care services that would allow her to continue her education.

During her first semester at NPCC, Anna learned about the Career Pathways program, which helped pay for the child care services she needed, assisted with travel expenses, and provided technology services and supportive career counselors – allowing Anna to stay in school and continue working toward a degree.

After her first semester, Anna was accepted into the RN program. She graduated from NPCC in 2012 with an associate's degree and is now a registered nurse in the cardiac unit at Mercy Hospital in Hot Springs. In 2014, Anna plans to pursue her bachelor's degree in nursing at Arkansas State University.

CLOSING THE SKILLS GAP

The fourth largest community college in Arkansas, NPCC enrolls approximately 4,000 credit students per semester and more than 2,000 students each year in a wide range of non-credit and continuing education programs.

NPCC also implements the Arkansas Career Pathways Initiative (CPI), funded with Temporary Assistance for Needy Families (TANF) funds from the Department of Workforce Services (DWS), which moves low-income parents from government assistance to employment through education. As of this year, 94.5 percent of 2011 NPCC CPI graduates are employed.

Middle-skill jobs, which require more than high school but not a four-year degree, make up 57 percent of all jobs in Arkansas, but only 49 percent of Arkansas workers have the appropriate training for these jobs. Investments in programs like the Arkansas CPI help close this skills gap and provide the skilled workers that employers need.

UNABLE TO MEET GROWING DEMAND

TANF funding for CPI, with 25 sites including all two-year Arkansas colleges, has been slashed statewide from \$34 million to \$7 million over the past three years. As a result, staff positions have been reduced to nine months from twelve. New employees are not hired to fill vacancies.

Even though the program has seen a more than 50 percent increase in demand, with a growing wait list, CPI is no longer able to accept new students—with the exception of current Temporary Employment Assistance (TEA) clients receiving cash assistance. CPI managers have been told to anticipate additional cuts by the end of 2014, which will lead to additional cuts in services to low-income students.

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Because federal funding for the Arkansas CPI has been cut from \$34 million to \$7 million over the past three years, the program is no longer able to accept most new students despite a 50 percent increase in demand.



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NORTHERN NEW ENGLAND EMPLOYERS, WORKERS AND ECONOMY LOSE WITH SEQUESTRATION

FEATURING: Goodwill Industries of Northern New England, Portland, Maine

HARD TIME AHEAD FOR NEW ENGLAND WORKERS AND EMPLOYERS

Headquartered in Portland, Maine, Goodwill Industries of Northern New England (GoodwillNNE) serves Maine, New Hampshire, and Vermont. It has an 80-year history of providing innovative services that eliminate barriers to opportunity and help people in need reach their fullest potential through the power of work. Last year, the organization served more than 30,000 individuals through job training and placement, career counseling, youth employment opportunities, brain injury programs and other community support services for people with disabilities. GoodwillNNE's job training and placement programs are funded through the Workforce Investment Act (WIA).

GoodwillNNE has taken a big blow to its budget due to sequestration. In the fiscal quarter running from July 1 through September 30, GoodwillNNE received only \$95,457, almost 90 percent less than the \$887,577 in federal funds it was expecting.

These cuts have been extremely difficult because it hinders GoodwillNNE's ability to support people for fall semester training and education programs.

GoodwillNNE has not been able to implement any new training programs for clients because there are no funds available to pay tuition that was due

September 1. In some cases, it is unclear if these clients will be able to enroll at a later date. This has left clients unable to complete certifications or their degrees, and thus indefinitely unable to find employment.

We don't yet know the long lasting impacts of these cuts, but significant and immediate cuts have already negatively impacted the local economy. Internally, GoodwillNNE reduced staffing due to sequestration cuts. Programmatically, due to reduction in funding for On-the Job-Training (OJT), local businesses on the cusp of expanding their workforce have been forced to step back and leave jobs unfilled because GoodwillNNE does not have the funding to place clients in jobs. Instead of increasing employment opportunities, GoodwillNNE has been forced to deny training assistance to new clients.

WORKERS STRANDED, JOBS GO UNFULFILLED

Sequestration cuts are hurting workers and businesses in northern New England. Without the training support that GoddwillNNE provides, good-paying jobs will go unfilled causing workers to stay unemployed or stuck in a low-wage, low-skill jobs and local industries unable to find the workers that allow them to grow. Here are sequestration:

- Deering Lumber, Inc. in Biddeford was considering hiring a gentleman if GoodwillNNE could provide OJT funds to help support Deering's labor costs. No OJT funds are available due to sequestration. The gentleman was not hired and the position at Deering Lumber remains unfilled.
- X A gentleman in Rockland planned to begin the Basic Safety Training and Able Bodied Seaman courses to become a more marketable employee. GoodwillNNE had to refuse his request for tuition assistance due to sequestration cuts, and now the client cannot continue his education.

- A dislocated worker has recently been laid off from an information technology (IT) management role. This client has more than 20 years of experience in IT and management but no credential certifying these skills. The client wants to complete a project management certification or other industry-based credential to find quality employment. Unfortunately, GoodwillNNE does not have the funds to assist him in securing the certifications he needs to get a goodpaying, steady job.
- A young mother with two small children is eager to begin certified nursing assistant or CNA training this fall, but can only do it with assistance from the federal funds cut by sequestration that GoodwillNNE receives.
- A displaced worker is dependent on her car to travel to her per diem job at Nordx, as well as her volunteer position. Both of these positions are very important to build her work experience and skills to become more marketable for full-time positions. However, her car needs repairs before it can be inspected and with sequestration cuts, GoodwillNNE is unable to provide her the \$1,000 needed to ensure she has reliable transportation.

Unfortunately, GoodwillNNE was unable to assist these clients and many more because of the drastic funding cuts from sequestration. These people will not get the training they need for a good paying job, and employers looking for skilled workers to grow their business will not get the skilled workers they need. Policymakers in Washington say they are concerned about the unemployment rate in America. Yet, their austerity actions speak louder than words.



AUTHORS

Goodwill



ELIMINATION OF AMERICORPS GRANT LEAVES STUDENTS STRANDED

FEATURING: Washington Reading Corps, Seattle, Washington

IMPROVING LITERACY THROUGH PUBLIC SERVICE

AmeriCorps engages more than 80,000 Americans in intensive service each year at nonprofits, schools, public agencies, and community and faith-based groups across the country. Since the program's founding in 1994, more than 800,000 AmeriCorps members have contributed more than 1 billion hours in service across America while tackling pressing problems and mobilizing millions of volunteers for the organizations they serve. AmeriCorps benefits are two-fold, as the volunteers themselves receive valuable, real-world career training and the communities benefit from the critical services they provide.

Washington Reading Corps (WRC) is a longstanding, successful statewide AmeriCorps program designed to provide intense, research-based tutoring services to struggling readers in pre-kindergarten through sixth grade. An effective collaboration among schools, families, community members, AmeriCorps, local businesses and state partners, WRC has received competitively awarded grants from the Corporation for National and Community Service (CNCS) since the program's inception in 1998. Since then, WRC AmeriCorps members have been serving in elementary schools and early learning sites throughout Washington, where the average rate of student participation in the free and reduced price lunch program is 60 percent or higher.

Trained WRC AmeriCorps members provide direct service to preschool children to develop early literacy skills, oral language, and kindergarten readiness. They build capacity and sustainability by improving parent and family engagement through outreach and education services for families with young children. WRC AmeriCorps members also recruit and train thousands of community volunteers to tutor struggling students, and engage students in peer-to-peer tutoring

opportunities. In many WRC schools, this is the only literacy intervention program available to struggling readers.

WIDESPREAD IMPACT

Since the program's creation, the footprint of WRC AmeriCorps members has grown throughout the state. During the 2012-2013 school year, 260 WRC AmeriCorps members served as trained literacy tutors in over 130 educational facilities. These AmeriCorps members worked with more than 8.000 students across 28 early learning centers, 99 elementary schools, and four middle schools. They brought much-needed people power to schools in both urban and rural communities, and leveraged more than 47,500 hours of service over the course of the school year by recruiting more than 3,500 community volunteers.

The impact of WRC on both the students served and the individuals who serve is clear. During the 2012-2013 school year, 58 percent of students who completed the WRC program met performance benchmarks or advanced at least one grade level in literacy skills while 50 percent demonstrated improved reading behaviors as observed by their classroom teachers. The young Americans who served as WRC AmeriCorps members gained valuable job skills and experience, and earned more than \$1 million in education awards that can be used to pursue future higher education or to pay off existing, qualified student loans.

WRC AmeriCorps members also have a significant impact on the Washington economy: in the 2011-2012 program year, 52 percent of WRC AmeriCorps members report using their education award within Washington state; 96 percent report gaining career development skills during their service year; 44 percent will go onto pursue a career in education; and 90 percent will continue volunteering in their community after their service year.

BUDGET CUTS DENY STUDENTS, DEVASTATE COMMUNITY

Since fiscal year 2010, the CNCS budget has been cut by 13 percent and nearly 15,000 AmeriCorps positions have been eliminated. AmeriCorps members are human capital deployed to support tens of thousands of schools, afterschool centers, food banks, homeless shelters, community health clinics, youth centers, and veterans' service facilities at a time of strong demand for services. The reduction in AmeriCorps has had a devastating impact on the nonprofit sector where respected organizations rely on these members to expand their reach through direct service and by mobilizing additional community volunteers.

These cuts, including sequestration, have hit WRC hard. Despite a 15-year history of strong results and notable impact in local communities throughout the state, WRC's AmeriCorps grant was not renewed in fiscal year 2013. The complete loss of \$3.2 million in federal support was the direct result of funding cuts to CNCS and the AmeriCorps state and national program. This has led to the dismantling of the administrative infrastructure of the program, and will dramatically reduce the scope of the program and its impact in the coming year.

For the 2013-2014 school year, the force of enthusiastic and dedicated WRC AmeriCorps members will shrink from 260 members to only 56 members. The number of students the program is able to serve will be reduced from more than 8,000 students to fewer than 2,000 students. Twenty-two early learning centers, 68 elementary schools, and four middle schools will lose the support of WRC AmeriCorps members, altogether. Across the state, host organizations who have been working with WRC for more than 15 years have been forced



The ending of reading corps is going to leave a huge gap. So many kids are now going to fall through the cracks.

- WASHINGTON READING CORPS VOLUNTEER

to eliminate their tutoring services and family literacy events, because of these devastating cuts.

The reaction from local community members to the news that WRC partnerships were ending has been strong:

- "This is devastating news. I served as a (WRC AmeriCorps) member for three years. The ending of reading corps is going to leave a huge gap. So many kids are now going to fall through the cracks."
- "Very sad indeed! Not only will the schools and children feel a loss, but so will the entire community. WRC places energetic, caring adults into schools to help out where it is needed most. From that crop of members every year are individuals who will stay in the community to be teachers, social workers, and volunteers.

 Northwest Washington has benefited exponentially from this talent."
- "This decision needs to be revisited. Our daughter was fortunate to work with the program for two years and if not for that experience, would not have met and worked alongside a wonderful group of people who were willing to give their time, efforts and

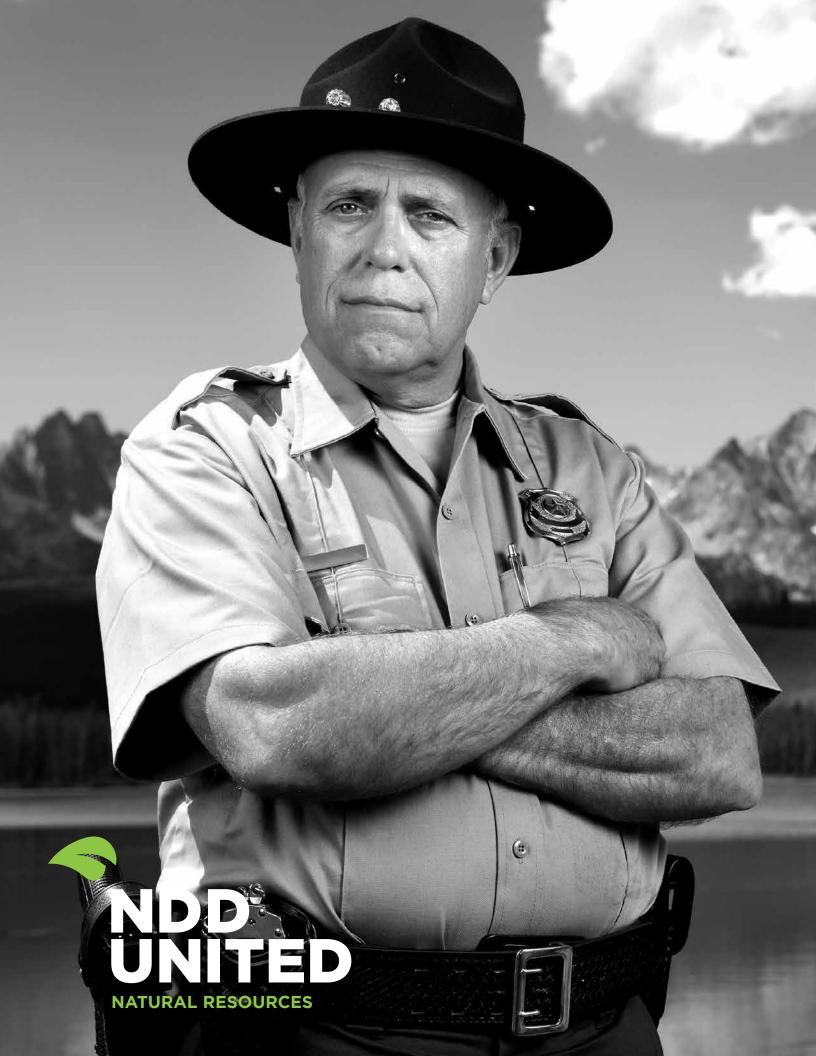
skills, for very little compensation, in order to improve upon the lives of so many kids. A very worthwhile program that served many in a very positive way."

AUTHORS

Voices For National Service



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The budget impasse known as sequestration has cut \$1.21 million from the Independence National Historical Park's budget – prompting the cuts... In total, about 225,000 visitors will be affected by the cuts. The Independence National Historical Park also won't be able to fill 16 job positions and visitors will see cutbacks in park services.

[NBC, 4/17/2013/] PHILADELPHIA

We have visitors producing \$261 million and thousands of jobs across our state. If the sequester continues, it's a \$153 million impact to the **National Park Service** across the country, and we've already had over a million dollars of impact that we've had to absorb from Mount Rainier since 2010 that is affecting visitors. - Senator Maria Cantwell

[PRESS RELEASE 7/25/2013] WASHINGTON, DC

Scientists are not motivated by money as much as by having the opportunity to discover something and make an impact. Furloughs and other impacts of the sequester on environmental programs 'mean some scientists can't work on the things thev love working on.' - Jared Bales, Chief Scientist For Water At The U.S. Geological Survey

[C&E NEWS, 9/2/13]

At NOAA, the budget cuts have forced the agency to close several long-term sampling sites used to monitor greenhouse gases and other chemicals in the atmosphere that contribute to climate change and ozone depletion. – Benjamin Miller, Research Scientist At The National Ocean & Atmospheric Administration

[C&E NEWS, 9/2/13]

Each stream gauge costs around \$14,000 to \$18,000 to operate annually, and the budget cuts have jeopardized about 375.

[HIGH COUNTRY NEWS, 6/24/2013] COLORADO

The disposing of the oil removed from Cady Marsh Ditch has been delayed by numerous setbacks caused in part by furlough days created by the federal sequester.

[TIMES, 7/14/2013] INDIANA

If we lose funding and those gages are no longer there then it basically kills the project to improve the water quality of Missisquoi because you lose your scientific measurement tool. -Denise Smith, Friends Of Northern Lake Champlain

[VPR, 5/10/2013] VERMONT



THE ENVIRONMENT IS EVERYONE'S CONCERN

Every American has a stake in the quality and safety of the country's natural resources and environment, from clean air and water, to safe and efficient transportation and access to open space and recreation. Since controlling the quality of the environment extends beyond the control of individuals, the responsibility falls to government to safeguard the water we drink, the air we breathe, the food we eat, and the lands we live on.

Programs that protect the environment serve to improve our infrastructure, encourage economic investment in local communities, boost our global competitiveness, and keep our air breathable, our water clean, and our wildlife and outdoor spaces pristine. The resources protected by these programs support the abundant natural wealth that has helped to make our nation a great power in the world. They preserve the places that define our history as a nation, encourage tourists from around the world to visit America, and support millions of U.S. businesses and jobs.

Protecting the environment and public health provides net benefits to our U.S. economy by substantially reducing costs in health care, ecosystem restoration, and water treatment, while ensuring active job creation through renewable energy research and development and protection of ecosystem services. These protections foster and preserve public lands and wildlife-dependent recreation and the U.S. share of the international tourism industry. They also keep businesses here in the United States and support healthy economies in gateway communities that surround protected areas.

A SMALL INVESTMENT WITH BENEFITS FOR ALL

Environmental funding is a fraction of what the federal government spends annually. In fiscal year 2013, the federal government spent only 1.5 percent of its total, \$3.4 trillion budget on environment and energy.

Since 2010, there has been an average 19 percent decline in support for non-fire accounts for the principal land agencies that manage natural resources: Bureau of Land Management, Fish and Wildlife Service, National Park Service, and U.S. Forest Service.

Since 2010, the EPA's budget has been cut by nearly 18 percent in nominal terms, and 25 percent after adjusting for inflation. This includes a cut of nearly 16 percent in the cleanup of toxic Superfund sites, and a one-third cut in funding for Great Lakes restoration. Assistance to states to meet regulatory and infrastructure needs has been cut 35 percent. Accounting for inflation, the post-sequester EPA budget (excluding funding for Hurricane Sandy relief) is the smallest it has been since 1986.

The testimonials featured in this chapter show how cuts to environmental regulation and enforcement and public lands management impact local communities in Americans' everyday lives, and how continued austerity is leading to degradation of our infrastructure, our environment, and our well-being

FEDERAL ROLE: Principal Natural Resources Departments and Agencies

DEPARTMENT OF AGRICULTURE (USDA) manages the U.S. Forest Service and oversees agriculture-related conservation programs

DEPARTMENT OF THE INTERIOR (DOI) protects America's natural and historic resources and heritage and provides for energy development. Interior agencies that are stewards of our public lands include: Bureau Land Management, Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement, Office of Surface Mining Reclamation and Enforcement, Bureau of Reclamation, Fish and Wildlife Service, the National Park Service, and the U.S. Geological Survey.

DEPARTMENT OF ENERGY (DOE) oversees the management of our energy infrastructure and transmission.

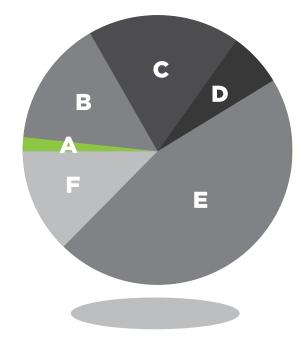
DEPARTMENT OF TRANSPORTATION (DOT) oversees transportation infrastructure.

Environmental Protection Agency (EPA) works to use the best available science in order to fulfill the legislative requirements that Congress has mandated in laws such as the Clean Air Act and to effectively enforce these rules, in partnership with the states, to keep our citizens safe and our environment protected.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) includes NOAA Fisheries, which manages the health of our oceans and fisheries.

NATURAL RESOURCES NEEDS OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

CATEGORY	2013
A) NATURAL RESOURCES	1.49%
B) OTHER NDD	15.41 %
C) DEFENSE DISCRETIONARY	18.20%
D) NET INTEREST PAYMENTS	6.45 %
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %
F) OTHER ENTITLEMENT PROGRAMS	12.72%



Source: CBO May 2013 Baseline

In 2011, Maine's Acadia National Park accommodated 2.4 million visitors, who spent \$186 million in the surrounding communities. (1) However, that visiting experience was compromised this year due to sequestration. To meet the mandated cut of \$390,000, the park was forced to reduce the paid season for 31 staff and not fill 12 seasonal and 18 permanent staff positions, in addition to delayed road openings and other impacts. (2) The cutbacks and projected impact to visitors caused deep concern among local elected officials and business owners, who fear the effects will continue to erode local economies and the tax base.

As the Portland Press Herald opined: (3)

Acadia National Park is not bankrupting the country. Tourism is not an excessive government program. But Maine businesses will have to make do with one month's less activity during what's supposed to be the busiest season of the year. Surely Congress and the president could find smarter ways to reduce the deficit and provide the services that support a healthy economy. The delay of the Acadia opening is a small blip in the national economy, but it is an example of what happens when we can't work together.

(1) Economic Benefits to Local Communities from National Parks Visitation, 2011, available a

- (2) Personal communication between the National Parks Conservation Association and National Park Service, 2013.
- 3) "Our View: Acadia delay shows cost of failure to cooperate," Portland Press Herald. Mar. 21, 2013. Available at:

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i Congressional Budget Office, "Updated Budget Projections: Fiscal Years 2013 to 2023," May 14, 2013, http://www.cho.gov/publication/44172

ii Congressional Budget Office, "Updated Budget Projections: Fiscal Years 2013 to 2023," May 14, 2013, http://www.cbo.gov/publication/44172; Office of Management and Budget, "Public Budget Database", http://www.whitehouse.gov/omb/budget/supplementa iii Following BLS CPI inflation calculations using EPA's historical budget data, available at http://www2.epa.gov/planandhudget/budget



AMERICA'S FAILING OBLIGATION TO OUR NATIONAL PARKS

FEATURING: Superintendent Phil Francis (former), Blue Ridge Parkway, Virginia

PARKS' VALUE GOES BEYOND NATURE'S BEAUTY

A March 2012 economic study issued by the National Park Service and Michigan State University found that national parks account for \$31 billion in spending and 258,000 jobs nationwide. Those findings included spending by local residents at parks, out-of-town tourists staying in nearby motels or park lodges, eating at local restaurants, shopping at grocery stores, galleries, and other stores within 60 miles of a park, and other economic benefits.

According to the National Parks Conservation Association, America's National Park System generates more than \$10 in value to the public for every dollar invested by the federal government. In 2011:

- Yellowstone National Park accounted for \$333 million in spending and supported 5,041 jobs in the communities around it.
- Grand Canyon National Park accounted for \$467 million in spending and 7,361 jobs.
- Michigan's Isle Royale, in Lake Superior, one of the nation's smallest national parks, accounted for \$2.1 million in spending and 30 jobs.
- Pictured Rocks National Lakeshore along Lake Superior in the Upper Peninsula had \$25 million in spending and 357 jobs.

Testifying before to the U.S. Senate Committee on Energy and Natural Resources, National Park Service Director Jonathan Jarvis said: National parks are drivers of economic growth, particularly in gateway communities. They stimulate spending and job creation. Taxpayer investments in national parks result in far more than the obvious recreational and educational dividends.

FUNDING ERODES DESPITE NATURAL, ECONOMIC BENEFITS

Areas of the National Park System comprise one-third of the top 25 most popular domestic travel locations, according to Forbes. Despite their economic importance, funding for the operation of national parks is 13 percent below what it was three years ago in today's dollars, according to an analysis by the National Parks Conservation Association.

These cuts have meant the loss of nearly 2,000 park rangers and other staff, reduced maintenance and science, more limited hours, and delayed openings of visitor centers, campgrounds, and other park facilities. Education programs have suffered significantly, depriving children across the country of opportunities to learn about America's natural and cultural history.

LOSING AMERICA'S BEST IDEA

Blue Ridge Parkway, which spreads across 29 Virginia and North Carolina counties, is the most visited unit in the National Park System, with more than 15 million visitors each year who support the economies of surrounding communities by spending more than \$300 million annually. Last year, the park was forced to absorb a six percent cut, on top of years of cuts and underfunding. This, together with an additional cut of two percent planned for next year, means the park will have been cut a total cut of \$1.2 million since 2012,

according to Phil Francis, the recently retired superintendent of the parkway.

Absorbing the budget cuts has meant a hiring freeze for permanent employees—the park's staff has dropped from 241 full time staff to 159 since 2001, including a 50 percent cut in maintenance positions. The park also reduced seasonal maintenance and interpretation positions and limited interpretive programs for visitors that taught them about the significance of the area's natural and cultural resources.

Preventive maintenance has suffered on the parkway, resulting in higher costs over the long run. Repair and maintenance of drainage structures has languished due to years of underfunding, despite the importance of the parkway for commuters and tourists alike.

According to Phil, a recent landslide – completely preventable with basic maintenance—resulted in a repair cost of \$6 million to the federal government.

Some of the parkway's visitor facilities were forced to close. As a result, visitation is down and local economies that depend on visitor spending are suffering. As Phil noted:

These places are so important to our country and who we are as a people, so if we're not willing to take care of our country's most important historical and natural places, then what does that mean for us as a society, especially when you consider how small the Park Service budget is, about one-fourteenth of one percent of the federal budget?

Phil looked for other sources of funding to make up for the federal losses, but contributions and donations are insufficient and unsustainable:

We worked closely with a lot of partners to raise volunteers and private-sector funding and new ways of charging fees, but relying on them is simply not

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When Congress decides an area like this is important enough to be part of our National Park System, then there's an obligation to take care of it that Americans expect. At this rate, we're risking losing the best idea America has had.

- PHIL FRANCIS

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going to be sustainable. When Congress decides an area like this is important enough to be part of our National Park System, then there's an obligation to take care of it that Americans expect. At this rate, we're risking losing the best idea America has had.

AUTHORS

National Parks Conservation Association



SEQUESTRATION HAMPERS RESEARCH THAT HELPS KEEP CHILDREN SAFE

FEATURING: Frederica Perera, DrPH, PhD, Columbia Center for Children's Environmental Health, Columbia University, New York, New York and Andrea Gore, PhD, University of Texas Austin College of Pharmacy, Austin, Texas

America's ability to compete in an increasingly complex global economy is ultimately dependent on a healthy, well-educated citizenry. Yet, growing numbers of our children—those who will fuel tomorrow's brainpower and productivity—are being diagnosed with chronic and developmental illnesses and disabilities. The National Academy of Sciences estimates that toxic environmental exposures play a role in 28 percent of neurobehavioral disorders in children, not including other conditions such as asthma or cancers.

Scientists and medical experts from Mt. Sinai School of Medicine published a series of studies that calculated the annual cost of preventable environmental disease in American children to be approximately \$76.6 billion per year, making up 3.5 percent of total health care costs. This includes: lead poisoning (\$50.9 billion), autism (\$7.9 billion), intellectual disability (\$5.4 billion), exposure to mercury pollution (\$5.1 billion), ADHD (\$5 billion), asthma (\$2.2 billion), and childhood cancer (\$95 million).

Children are especially vulnerable to harmful substances in their environment, and the federal government plays a critical role in funding research that uncovers connections between environmental exposures and children's health and provides the foundation for efforts to protect America's health and the environment. The National Institute of Environmental Health Sciences (NIEHS), the Environmental Protection Agency's (EPA) Healthy Communities and Ecosystems program, and the Office of Chemical Safety and Pollution Prevention (OCSPP) are critical partners in this regard. For example, OCSPP supports research through innovative partnerships and collaborations to regulate pesticides, conduct risk assessment for industrial chemicals to reduce pollution, and coordinate science and science policy including new and emerging technologies. All of these agencies have scaled back their research as a result of sequestration. These cuts leave critical gaps in policy-relevant research needs that will not be filled by other agencies, industry, or academia. For example:

- One of the new Children's Environmental Health and Disease Prevention Research Centers—a key government partnership between the EPA and NIEHS—was eliminated. The research produced by these 14 Children's Centers on environmental contributions to childhood obesity, asthma, and autism helps experts understand and reduce the incidence and severity of diseases and disabilities. Planned but never implemented, the eliminated Children's Center would have studied children's exposures in daycare centers to air pollution, fire retardants, and other widely available products with toxic components over an extended period of time, and the impact on health. Uncertainty about the future availability of funding at the remaining Children's Centers undermines epidemiologic research into on childhood exposures to environmental toxicants.
- NIEHS's Gulf Long-term Follow-up Study (GuLF) has been jeopardized. GuLF is the largest study ever on the health effects of oil spills and exposure to dispersants. The study will enroll 55,000 workers and volunteers throughout Louisiana, Mississippi, Alabama, and Florida who were involved in the Gulf oil spill cleanup. NIEHS provided safety training to 140,000 cleanup workers immediately following the Gulf oil explosion.

As Dr. Frederica Perera, Professor of Public Health and Director, Columbia Center for Children's Environmental Health at Columbia University, notes: The budget cuts and sequestration are limiting research on environmental health of children and other vulnerable groups. Reductions in funding of graduate students and young investigators will have serious long-term impacts on the field of environmental health and disease prevention.

In an editorial in *Endocrinology*, Dr. Andrea Gore said that the impact of sequestration is stifling research and can have dire impacts in the future.

There is a genuine danger that an entire generation of new investigators will be lost in this country as promising young scientists choose other careers or move to other countries with growing investment in research. The budget sequester is exacerbating an already untenable system in which funding sources at some [National Institutes of Health] agencies are well below 10 percent.



The budget sequester is exacerbating an already untenable system.

- ANDREA GORE



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AUTHORS

Natural Resources Defense Council



SEQUESTRATION HINDERS INNOVATION THAT PROTECTS AND IMPROVES THE ENVIRONMENT

FEATURING: Steve Brown, Executive Director, Environmental Council of the States

The byproduct of an industrialized society, toxic pollutants threaten the safety of water supplies, the health of our communities, and our genetic legacy. Moreover, the task of cleaning up hazardous wastes is costing taxpayers billions of dollars.

The most common public health threat hazardous waste poses is the contamination of our drinking water supplies. In Massachusetts, for example, more than one-third of the towns have lost all or part of their drinking water to toxic contamination. In the town of Woburn, contaminated drinking water caused a cluster of leukemia cases in children. At Love Canal in New York, toxins oozing out of the dump caused rashes, burns, and other problems to both children and adults. Toxins can also seep into buildings built above hazardous waste sites, causing indoor air problems, respiratory diseases and chemical sensitivity.

One way to lower costs and speed the clean-up is through the development and application of proven technology. The Interstate Technology and Regulatory Council (ITRC) is a state-led coalition that works with industry and stakeholders to achieve regulatory acceptance of environmental technologies. ITRC consists of 49 states, the District of Columbia, multiple federal partners, industry participants and others, all of whom cooperate to break down barriers and reduce compliance costs. This publicprivate partnership makes it easier to use new technologies and helps states maximize resources. ITRC's mission is to bring together a diverse mix of environmental experts and stakeholders from both the public and private sectors to broaden and deepen technical knowledge and streamline the regulation of new environmental technologies.

ITRC accomplishes its mission in two ways. It develops guidance documents and training courses to meet the needs of both regulators and environmental consultants, and it works with state representatives to ensure that ITRC products and services have maximum impact among state environmental agencies and technology users.

ITRC achieves its mission through teams composed of environmental professionals, including state and federal environmental regulators, federal agency representatives, industry experts, community stakeholders, and academia. ITRC teams develop guidance documents and training courses that help state environmental agencies and others gain valuable technical knowledge and develop consistent regulatory approaches for reviewing and approving specific technologies.

Steve Brown, head of the Environmental Council of the States, which oversees ITRC notes the types of innovative projects that ITRC carries out. For example, a national ITRC project studied nature's own ability to clean harmful chlorinated solvents from the groundwater that damage the liver, kidneys, nervous system, and other organ systems. The results of a three-year project using microorganisms or "bugs" to break down or isolate contaminants is expected to accelerate cleanup by a minimum of 10 years for Department

of Energy sites where chlorinated solvents are threatening or have already contaminated groundwater. He notes:

Through 14 innovative research studies and other related activities, the project fostered the development of tools to measure the progress and will lead to faster and cheaper cleanup of contaminated sites.

Brown notes much of the work of ITRC goes beyond cleaning up contaminated sites. For instance, 32 states are using ITRC resources to effectively assess and mitigate the inflow of contaminated vapors into homes, thereby protecting citizens from poor indoor air.

"Future funding for such projects," Brown notes, "Is in jeopardy through continued funding at sequester levels. This year, sequestration resulted in an eight percent reduction to the ITRC." According to Brown:

Sequestration will push back the completion dates for some of our projects, delay clean ups, and slow down the use of new technologies that could be beneficial in many ways. What appears to be a cost savings now may turn out to be a larger expense later.

The Interstate Technology and Regulatory Council protects and improves the environment by:

- Helping regulators build their knowledge base and raise their confidence about new environmental technologies.
- Helping regulators save time and money when evaluating environmental technologies.
- Guiding technology developers in the collection of performance data to satisfy the requirements of multiple states.
- Helping technology vendors avoid the time and expense of conducting duplicative and costly demonstrations.
- Providing a reliable network among members of the environmental community to focus on innovative environmental technologies.

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[Sequestration] will push back the completion dates for some of our projects, delay clean ups...What appears to be a cost savings now may turn out to be a larger expense later.

- STEVE BROWN

AUTHORS

Natural Resources Defense Council



FLOOD RESPONSE AND RESTORATION THREATENED BY BUDGET CUTS

FEATURING: Bobby Hills, Nez Perce Tribe Department of Fisheries Resource Management, Idaho

ESSENTIAL TO THE ECOSYSTEM

From predicting floods to planning rafting trips, communities across the country rely on stream gauges. The gauges, operated by the U.S. Geological Survey (USGS), continuously monitor the height of creeks and serve as an early warning system for floods, monitor water usage agreements between municipal or state governments, and support ecosystem research. Sequestration has caused hundreds of these unassuming but critical tools to be shut down, leaving communities at risk.

According to a recent article published by High Country News, "the USGS operates some 7,000 stream gauges across the country, used by 850 other organizations for everything from watershed research to bridge design to water supply predictions. Each gauge costs around \$14,000 to \$18,000 to operate annually, and the budget cuts have jeopardized about 375."

One such gauge monitors the Lapwai Creek in North Central Idaho, part of the Clearwater River Watershed. Among those who rely on the Lapwai Creek gage is the Nez Perce Tribe's (NPT) Department of Fisheries Resource Management. According to Bobby Hills, restoration project leader with the NPT's Department of Fisheries, the Tribe is actively restoring the Lapwai Creek Watershed to increase the numbers of fish that "are central to their way of life and protected by Treaty rights of the Nez Perce Tribe."

Bobby is also leading a team working to stabilize seasonal changes and reduce volatility in water levels caused by over a century of levees, channelization, and land management practices. According to Bobby, "during the spring snow melt, the volume of water can be up to 300 times greater than in low flow summer conditions." Efforts to reduce "increased

discharges" include restoring wetlands and reconnecting the floodplain. Bobby relies on the gauge to mark his team's progress, by comparing data year after year, before and after restoration projects have been completed.

While he's focused on ecosystem restoration, Bobby says the number one threat to communities from the loss of the gauge is the gap in the flood warning system. The gauge was installed in the 1970s, but three of the 10 highest flood levels of Lapwai Creek on record have been in the last five years. Bobby said that 2011 was the second highest flooding, but thanks to the gauge, "emergency services did a good job of having equipment, sandbags and volunteers ready to help protect the residences in the area." Without the gauge, research and flood prediction depend on people driving around the area making estimates based on snowpack and other direct observations, instead of the reliable, regular, and publicly accessible information provided by the gauge.

The NPT operates hatcheries rearing Coho, Fall Chinook, and Spring Chinook salmon, and then releases them into the wild throughout the Clearwater and Snake River basins. The gauge allows them to predict the timing of the spring release as the higher snowmelt waters and their cooler temperature, which are critical to the survival of the salmon. Once the levels start to drop on the gauge, the tribe's staff knows that the window for releasing that year's young salmon is closing. Without the gauge, their timing is less precise, lowering the survival rate of the fish.

In addition to building up stocks through hatcheries, the Nez Perce Tribe is also fighting to protect the wild Steelhead, which is protected by the Endangered Species Act. Critical to this success is enough cool water in the summer time for juvenile rearing. A 2004 act of Congress established a greater role for

the NPT in the management of its water and natural resources. This included the establishment of minimum stream flows, which help ensure the success of the Steelhead. The gauge is the primary tool used to ensure these flows are being achieved. Without the gage, all parties would face difficulty complying with the law.

SHORT-TERM REPRIEVE, LONG-TERM THREAT

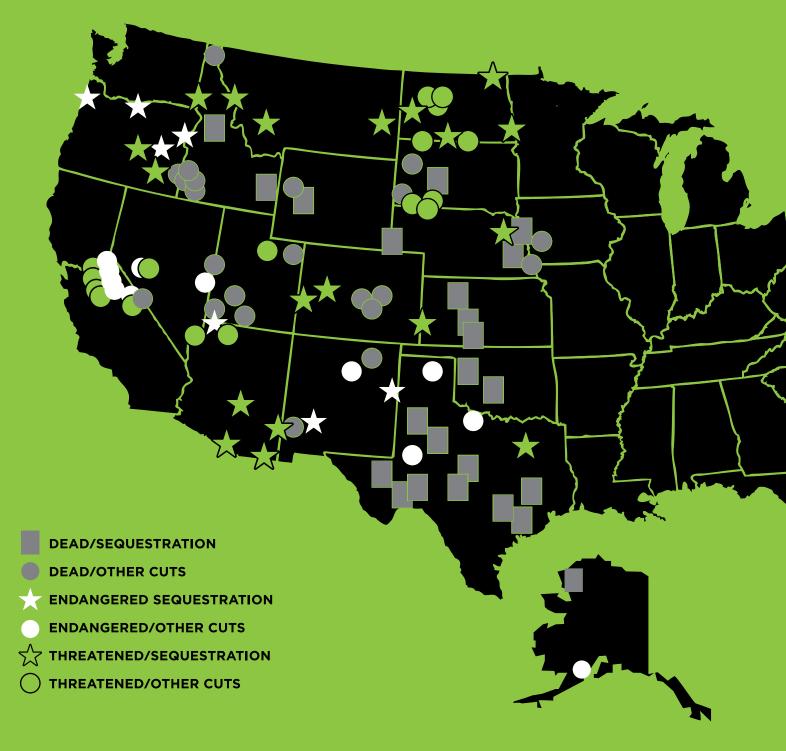
Because of sequestration, the NPT was forced to pull temporary funding combined with multiple state and local agencies to fund the monitor until October 1, leaving only a month long gap in the data, for now. But a few headaches later, Bobby still doesn't know what comes next. If the USGS faces further cuts, they will not be able to keep the gauge active, or host the data online.

The Nez Perce Tribe could try to pick up the slack, but that would require taking time away from restoration to train staff and operate the gauge.

Bobby explains that the funding cuts to basic science and monitoring systems have long-term implications, as the gaps in data will be here to stay:

The stream gauges are very beneficial not just for current conditions but for future conditions. Floods are going to happen whether it be this next spring or sometime in the future. The more data that these gauges provide us, the more use we are able to get out of them. With the emphasis on potential impacts of climate change, both on the environment and people, we need every bit of information we can get to land management decisions that protect the environment and people.

DEAD, ENDANGERED & THREATENED STREAM GAUGES



Source: USGS

This is a story of just one gauge that was shut down due to sequestration. There are 374 more from the current sequester; undoubtedly more next year if the attacks on nondefense discretionary spending continue.

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AUTHORS

Natural Resources Defense Council







Benjamin Franklin wrote: 'an ounce of prevention is worth a pound of cure.' Our leaders in Washington should consider this when they fund public health. It costs much less to prevent illness than to treat it. Yet federal public health programs continue to be cut. These federal dollars help local health departments immunize children; reduce rates of diabetes, heart disease, and obesity; protect families from disasters and disease outbreaks, and keep our communities healthy."

- Courtney Hudson, President of the Ohio Public Health Association

[Toledo Blade, 9/29/2013] OHIO

Over the past few years, there's been a push in this country to use our health care dollars more wisely. One way to do that is to shift the focus of our health care spending from treating disease to preventing it. We could save millions of dollars - and millions of lives, too. But that isn't the direction our leaders are taking. Since 2010, Congress has significantly cut the budgets of public health agencies..." - Alicia Thompson, president-elect of the Montana Public Health Association and Ellen Leahy, health officer with the Missoula City-County Health Department [Missoulian, 9/23/2013] MONTANA

At a time when government budget shortfalls throughout the Roanoke area are facing even tighter restraints, federal, state and local health departments are being asked to do more with less. The capacity for health professionals to prevent and respond to some of today's pressing health challenges or simply provide basic public health and preventive services is in grave danger.

- Leon F. Vinci
[The Roanoke Times, 7/31/2013]
VIRGINIA

Because of sequestration cuts, after 35 years Hospice of Saint John is closing. The hospice was known for taking care of people with little money or whose symptoms were too severe for other hospices to treat.

[Denverpost.com, 7/6/13] COLORADO

While the Ohio Department of Health is absorbing some of the sequester impact, other programs are being eliminated. For example, ODH has eliminated testing for West Nile virus; the annual budget for the state's testing program was \$265.000.

[Policy Matters Ohio, 6/18/13] OHIO

Congress all but eliminated federal funding to prevent lead poisoning in 2012, cutting the Centers for Disease Control and Prevention's lead budget by more than 90 percent.

[USA Today, 9/18/13]

If austerity had been a clinical trial, it would have been stopped. As public health experts, we have watched aghast as a slow motion disaster arose from austerity policies in Europe, while politicians continue to ignore the evidence of their disastrous effects. Austerity was designed to shrink debts. Now, three years after Europe's budgetcutting began, the evidence is in: severe, indiscriminate austerity is not part of the solution, but part of the problem – and its human costs are devastating.

...[Research indicates] a \$3 billion investment in public health returns more than \$16 billion in annual savings within five years...Those dollars have a real, measurable impact on the ground in places like Billings. When public health agencies are denied those funds, the impact is every bit as real

— and devastating. Diabetes self care, immunizations, preventive measures for heart disease, cancer and strokes are all put at risk when funding is scarce.

[Billings Gazette, 9/26/2013] MONTANA

At nearly four times the national average, American Indians' suicide rate is practically at epidemic levels. Because funding for Native American health care, including mental health services, comes from the federal government, Native Americans are hit especially hard by the sequester. So budget cuts in this area—where there are no funds to employ mental health workers—can literally mean the difference between life and death. – Former Senator Byron Dorgan [New York Times, 7/10/13]

Improved funding for the public health system is one critical piece of the puzzle that could save millions of lives. It's time to act on what we know is the right thing to do. For Congress, the message is clear: The long-term health consequences, including costs, will far outweigh the short-term savings.

- Donna Beal [Santa Maria Sun, 6/12/2013] CALIFORNIA

'Oh, most definitely' we've felt the cuts, said Michael Jenkins, communications director of the SouthEast Alaska Regional Health Consortium. The group is closing the Bill Brady Healing Center that provides alcohol and drug treatment to Native Alaskans.

[Huffington Post, 4/2/13] ALASKA

'It's frustrating. ... If all of a sudden funding isn't there, you are left with people you can't support,' Dr. David S. Guzick, senior vice president for Health Affairs for the UF&Shands Health System said.

[Gainesville Sun, 3/30/13] FLORIDA



HEALTH IN THE PUBLIC'S INTEREST

Public health is the science and art of protecting and promoting health in communities where we live, work, and learn. These activities are such a part of daily living they are often invisible, and almost always taken for granted. Yet they are utterly critical, ensuring that:

- The food we eat, the water we drink, and the drugs we take are safe;
- Measles, mumps, polio, and other diseases no longer claim many lives;
- Environmental, bio-terrorist, and other threats remain at bay.

Public health by definition affects the public at large, and it is thus in the national interest to keep all Americans safe and healthy. The federal public health agencies work in partnership with state and local governments, universities, hospitals and health centers, charitable organizations, and private industry to assure food, drug, and environmental safety; prevent disease and disability; promote well-being; educate the next generation of health professionals;

provide our nation's most vulnerable access to preventive care; and protect and respond in times of crisis.

CUTS HAVE CONSEQUENCES

Public health funding is a fraction of what the federal government spends annually. In fiscal year 2013, the federal government spent about 1 percent of its total, \$3.5 trillion budget on public health; the equivalent of just 0.2 percent of our nation's overall economy.

Since fiscal year 2010, federal discretionary funding for public health has been cut nearly more than 12 percent—including sequestration, but before accounting for inflation —with wide variation in how these cuts are distributed across federal agencies. Core discretionary budgets for the Centers for Disease Control and Prevention and the Health Resources Services Administration have been cut 19 percent and 27 percent, respectively.

The bulk of federal public health dollars—for CDC, as much as 70 percent—flows directly to state and local health departments and other external partners. Thus, federal cuts have real consequences

for those who provide and benefit from services on the ground.

Since 2008, 46,000 state and local public health professionals have been laid off—those who monitor and respond to outbreaks, immunize children and the elderly, and inspect restaurants.iv

The testimonials featured in this chapter demonstrate the ways in which federal public health cuts—often much deeper than expected—manifest in communities across the nation with "severe human consequences." They also discuss the eroding infrastructure and the public health opportunity costs of continued austerity.

FEDERAL ROLE: Principal Public Health Agencies

CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) is the nation's first responder in health emergencies, and supports people in living healthier and longer lives.

FOOD AND DRUG ADMINISTRATION (FDA) ensures that food, drugs, medical devices, and cosmetics that come to market are safe and effective.

HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) supports the pipeline for health providers and delivers health services in our nation's communities.

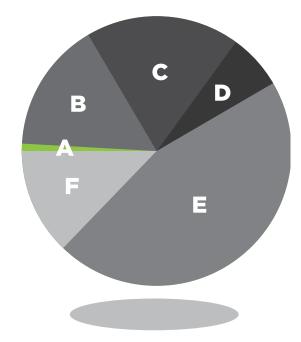
INDIAN HEALTH SERVICE (IHS) funds health services and local facilities that serve American Indian and Alaska Native populations.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION (SAMHSA) supports communities in providing treatment and preventative services to those in need to improve behavioral health outcomes.

THE ADMINISTRATION FOR COMMUNITY LIVING coordinates the efforts of the Administration on Aging, the Administration on Intellectual and Developmental Disabilities, and the Department of Health and Human Services Office on Disability to support the unique needs of older Americans and people with disabilities across the lifespan, improving their health and well-being in the community.

PUBLIC HEALTH OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

CATEGORY	2013
A) PUBLIC HEALTH	0.93%
B) OTHER NDD	15.97 %
C) DEFENSE DISCRETIONARY	18.20%
D) NET INTEREST PAYMENTS	6.45 %
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %
F) OTHER ENTITLEMENT PROGRAMS	12.72 %



Source: CBO May 2013 Baseline

Losing one-fifth of the public health workforce at the state and local level has necessitated the elimination of critical services, including immunizations, maternal and child health, food and water safety, public hospitals and clinics, and programs that prevent diseases such as diabetes, cancer, and HIV/AIDS.

Dr. Terry Cline, Oklahoma Commissioner of Health, explains:

Approximately 60 percent of our agency's revenue is derived from federal funding. Therefore, [cuts] in federal public heath programs could cripple or eliminate necessary public health functions in Oklahoma. It is imperative that Congress avert any further cuts to preparedness and response programs or any number of public health programs that protect our citizens and keep them safe and healthy. Any further damage to these programs will put millions of Oklahomans' lives in danger and weaken our readiness across the United States.vi

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YEARS OF DIVESTMENT ERODE WEST NILE VIRUS INFRASTRUCTURE

FEATURING: Dr. Don Read, Dallas, Texas

YOUR BRAIN ON A SKILLET

Dr. Don Read, a decorated Vietnam veteran and prominent colorectal surgeon in Dallas, was walking with his wife one summer evening. Within days, he was experiencing severe, flu-like symptoms. Soon he was sleeping more than 20 hours a day. By week's end Don says, "both of my legs were paralyzed, both of my arms were almost paralyzed. I was sleeping 23 and half hours a day. I couldn't talk. I couldn't hear. I couldn't write. All from a mosquito bite."

A mosquito had infected Don with the West Nile Vile virus (WNV). Symptoms typically include fever, headache, and fatigue, if they present at all. But Don's case wasn't typical. He was one of the less than one percent in whom the virus attacks the central nervous system. "Like putting your brain on a skillet, and frying it," he said.

For the rest of his life, Don will wear braces on both of his legs because of his "polio-like paralysis." Still Don is grateful to be alive. He runs a support group for WNV survivors and educates the public about the disease, and how to prevent it.

DEAD CROWS AND MOSQUITOS

WNV first appeared in the Western Hemisphere in the summer 1999, and New York City was ground zero. The rare virus infected crows and other birds, hundreds of which "fell dead from the sky." Mosquitos fed upon infected birds' blood, and passed the virus on to humans." Today, WNV is the most common mosquito-borne disease in America. An estimated 3 million Americans have been infected, with more than 16,000 neuroinvasive cases similar to Don's, and almost 1,600 deaths in the United States."

The federal Centers for Disease Control and Prevention (CDC) works in concert with state and local health departments 24/7 to prevent, detect, and control the growing risk of infectious disease outbreaks. Epidemiologists or "disease detectives" at the CDC and embedded in states and communities work on the front lines, investigating outbreaks like WNV and figuring out how to stop them. As Dr. Alexandra Levitt writes in her new book, *Deadly Outbreaks*:

Their work typically occurs behind the scenes, unknown to the general public... As a result, the importance of what they do may be overlooked, and their jobs may be endangered by budget cuts, especially at times of recession and belttightening.

Personal responsibility goes a long way in preventing WNV infection—covering your skin, avoiding outdoor activity at dawn and dusk, and wearing insect repellent. But there's only so much any one individual can do. It falls to the government to monitor the disease and coordinate the response. As such, epidemiologists and laboratory scientists at the federal, state, and local level play an indispensible role in our health and security.

WEST NILE FORGOTTEN, BUT NOT GONE

As WNV spread rapidly across the county, Congress provided essential funding for health departments to build capacity to monitor and prevent it. At its peak in 2002, federal funding for WNV was \$35 million; starting in 2006, it precipitously declined. During 2009-2011, fewer than 1,000 annual WNV cases were reported in the United States. "As the incidence declined, so too did concern about WNV among the media, the general public, the research community, and policymakers," said Dr. Stephen M. Ostroff.vi By 2012,

federal funding for WNV was only \$9.3 million.

Preliminary findings from a forthcoming assessment of all state health departments and selected local health departments show that the epidemiology, laboratory, and mosquito detection, testing, and control capacity at the state and local levels—built up to high levels by 2004 with the help of federal fundinghas eroded as a result of these budget cuts.vii The majority of these health departments indicate they lack sufficient epidemiology, laboratory, and mosquito surveillance personnel to rapidly detect and respond to a new mosquito-borne disease threat. Once conducted by all mainland states, less than half now monitor bird mortality-important since birds are often the first sign of WNVand fewer states conduct mosquito surveillance, compared to 2004.viii Those that do, set fewer traps and do not test as many mosquito pools compared to years past.ix

According to Dr. Ostroff, "such complacency had serious ramifications when a nationwide resurgence of [WNV occurred in 2012." Don's hometown of Dallas, Texas was one of the most severely affected, with 173 cases of West Nile neuroinvasive disease, 225 cases of West Nile Fever, and 19 deaths.x

Studies show that in Dallas, the rapid increase in human cases tracked closely with growth in the number of mosquitos, fueled by warmer winters and more precipitation. But the eroding public health infrastructure may have also played a role, as in the absence of government funding, some programs have been eliminated and others scaled back.xi Indeed austerity in the end costs more:

The cost of surveillance and preventive efforts are likely to be less than the costs associated with responding to major [WNV] outbreaks, as evidenced by the

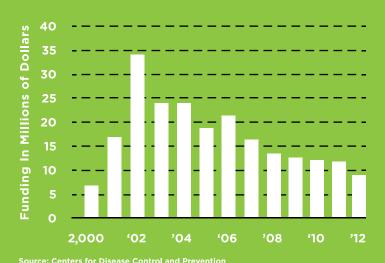


West Nile virus changed my life forever. I will never be normal like I was before I got sick.

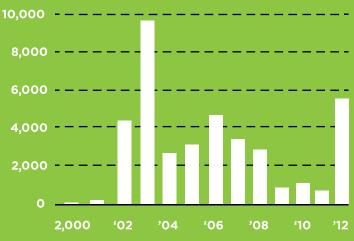
-DR. DON READ

"

Federal Funding for State and Local Health Department West Nile Virus Surveillance, 2000-2012



West Nile Virus Cases Reported to CDC



Source: ArboNET, Arboviral Diseases Branch, Centers for Disease Control and Prevention

\$8 million in estimated [WNV]-related health care costs and \$1.6 million for aerial spraying [in Dallas] combined with the significant burden of illness, disability, and death. xii

As Dr. Donald R. Hopkins of The Carter Center notes, "the struggle between humans, microbes...is long and everchanging, but never ending." The data show that WNV—as are other infectious diseases—is predictable in its unpredictability. The current fiscal environment undermines the public health infrastructure, and the scientists who are trying to keep up.

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CUTS TO RYAN WHITE FUNDING COMPROMISE ORAL, PHYSICAL, MENTAL HEALTH

FEATURING: Joseph Interrante, Chief Executive Officer, Nashville CARES, Nashville, Tennessee

HELPING THE VULNERABLE SURVIVE

As the largest community-based AIDS organization in Tennessee, Nashville CARES is a lifeline for as many as 65,000 people across 17 counties living with or at risk of developing HIV/AIDS. It is the linchpin in the state's HIV prevention efforts, testing nearly 16,000 people for the virus in 2012— identifying one-third of new cases in Greater Nashville—and educating people about the disease and prevention.

For those living with AIDS, the organization provides case management as well as emergency housing, rent and utility assistance, mental health and substance abuse treatment, and food and transportation assistance.

Joseph Interrante, CEO of Nashville CARES, believes that the agency's multipronged approach is essential in fighting HIV because of myriad challenges his clients face, including homelessness, hunger, substance abuse, and lack of access to care. As an HIV survivor himself, Joe knows how critical these basic services are to the clients he serves, services for which there is growing demand. As Joe explained:

Since the recession, we've found that these needs have intensified. If people used our food pantry before on a periodic basis, they're using it more regularly now due to the continuing economic stresses. The intensity of our service delivery has definitely increased, and the needs of our clients are less intermittent and more consistent over time.

SEVERE HUMAN CONSEQUENCES

More than three-quarters of Nashville CARES' \$13 million budget comes from the federal government, principally from the Ryan White HIV/AIDS program administered by the Health Resources and Services Administration (HRSA).

Named in honor of Ryan White—a young patient advocate who died from the disease in 1990—the program is the largest source of federal discretionary funding for the HIV/AIDS epidemic. According to Joe, the Ryan White Program is essential to his organization and its ability to fight the HIV/AIDS epidemic in Tennessee. "It's quite clear. Our ability to expand the breadth of services we provide, in ways that make them more accessible and meaningful to clients, has been the result of federal funding."

Sequestration cut \$117 million or 5 percent from the Ryan White Program in 2013. Yet for Nashville CARES, the cuts to individual programs are as high as 30-40 percent. With little "wiggle room" to absorb the cuts, the clients and the community ultimately suffer.

Nowhere is the impact of the cuts more severe than in Nashville CARES' oral health program. HIV medications have side effects such as dry mouth – a breeding ground for bacterial infections that, if left untreated, can lead to systemic infections in already immunecompromised patients. In years past, Nashville CARES provided \$1,700 worth of dental services per patient to 700-800 patients annually, with a waiting list of 900 people. Sequestration has cut oral health services by 68 percent. Said Joe:

We still have a waiting list of 900, and in order to stretch our resources, we've cut the services by 30 percent. Patients no longer receive the \$1,700 benefit; they get \$1,250 with the potential for another \$500 if they have an oral health emergency...Even at this reduced level of service, we'll only be able to serve 128 patients this year.

Explaining what these losses mean, one Nashville CARES client said:

Four years ago one of my molars cracked and I needed to get a crown. Without this dental assistance, I would have lost the tooth and would only be able to chew on my left side...I currently have two cavities that I cannot afford to get filled and I'm waiting patiently. Without it...I could gradually lose my teeth and not be able to meet nutrition needs properly.

Nashville CARES Sequestration Impact:

- + Substance abuse/mental health services: cut 37 percent
- + Food insecurity program, serving 1,300 clients: cut 24 percent
- + Linkage-to-care services for newly diagnosed and those re-entering care: cut 30 percent
- + Oral health services: cut 68 percent



In Washington, there is extensive focus on deficit reduction above all else, and it's had some severe human consequences.

-JOSEPH INTERRANTE

HARD CHOICES AHEAD

Should sequestration continue, Joe isn't sure how or where to absorb continued funding cuts. He explained the impossible choices the organization is grappling with now:

Our administrative costs are only 10 cents on the dollar, so we don't have a lot of cream to skim when dealing with sequestration...Hard choices are ahead. Do we offer transportation services or food?...There's really no way to lower the eligibility criteria for a population that's so poor already. Ultimately, we'll need to eliminate critical services our clients rely upon, and some clients will have to go without.

Joe is frustrated by lawmakers' singular focus on austerity. "We're at a point where we can make significant inroads in preventing and treating HIV—and policymakers are cutting the legs out from under us." Joe vows to continue to fight in the trenches against HIV; a battle he believes is winnable if not for shortsighted budget cuts.

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AUSTERITY'S GENETIC LOTTERY: BABY'S BIRTHPLACE DETERMINES SCREENING FOR "BUBBLE BOY" DISEASE

FEATURING: Vicki and Fred Modell, Co-Founders, Jeffrey Modell Foundation

ESSENTIAL TO SURVIVAL

For the past 50 years, state newborn screening programs have been effectively identifying and providing appropriate follow-up for the four million infants born in the United States annually. Each American newborn receives a blood screen within 48 hours to identify genetic or metabolic disorders. More than 12,000 babies annually test positive. When treated immediately, serious long-term health consequences such as intellectual disability, organ damage, and even death are avoided—consequences that often result in millions of dollars in medical expenses. Indeed, early detection, diagnosis, and intervention are essential to a child's survival.

Severe Combined Immune Deficiency (SCID) or "bubble boy disease" is one of the most critical of the roughly 200 immune deficiency disorders. SCID requires immediate treatment, usually with a bone marrow transplant, to avoid serious and life threatening infections such as pneumonia, meningitis or bloodstream infections within the first few months of life.ii

An undiagnosed baby dies of SCID every week—and yet, until recently it had not been included on the core panel for universal screening of all newborns in the United States. III n 2010, SCID was added to the panel of disorders that states should identify and provide follow-up treatment for as part of their newborn screening program.

After the new test was piloted, a baby named Dawson was born in Edgar, Wisconsin; population 1,400. He had SCID, was identified through newborn screening, received a bone marrow transplant, and today is cured. As his mother told HHS' advisory committee,

It's scary to think that if Dawson had been born just 6 months earlier, he might not be with us today... A drive from our home takes only about 2 hours to Minnesota, or Michigan, or Iowa, or Illinois. None of those states currently screen for SCID. What if we chose to live just two hours away? We would not have our beautiful son, Dawson.

FUNDING CONSTRAINTS STALL PROGRESS

Three years later, a child's birthplace still often determines whether or not they will be screened for SCID. Since being added to the recommended panel in 2010, SCID has only been incorporated into the newborn screening programs of 16 states (see map). At current levels of state involvement, nearly 1.8 million babies born this year will not be tested. Funding constraints caused by budget cuts, including sequestration, have stalled progress. Only increased federal funding can help states speed adoption.

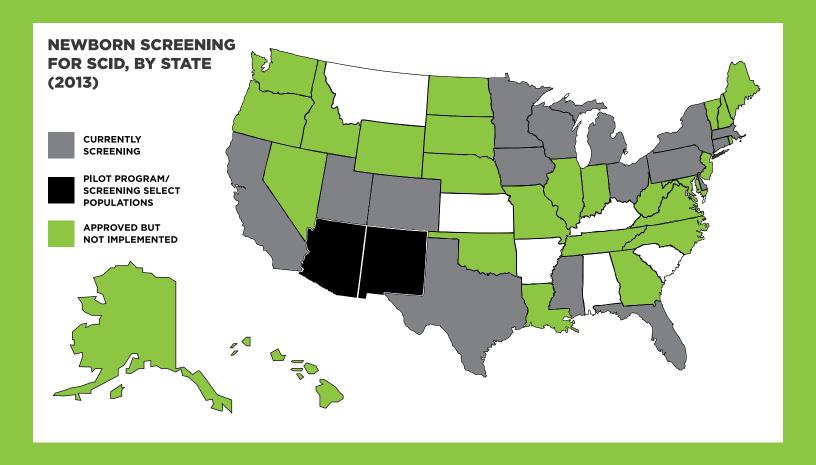
Unfortunately, the principal federal funders of newborn screening—Centers for Disease Control and Prevention (CDC) and Health Resources and Services Administration (HRSA)— have seen core budget cuts of 19 percent and 27 percent, respectively, since 2010. These agencies lack the resources to enhance state laboratory infrastructure and provide initializing services that increase the successful implementation of SCID through pilot studies in state newborn screening programs. With just a few million dollars in seed funding, states could develop the appropriate laboratory infrastructure and program capacity for newborn screening. This funding would ultimately lead to self-sustaining screening programs for SCID and would provide a model for future newborn screening tests that are developed. The absence of this minimal federal

support means that more babies born with SCID will not be detected and that they and their families will experience the significant treatment expense-and tragedy—that is associated with SCID.

A DISGRACEFUL STATE OF AFFAIRS

There is a better way, and it involves the investment of modest amounts of federal funding. But as long as sequestration continues, families are left with no reason to expect any improvement in the rate at which states successfully include SCID in their newborn screening programs. Fred and Vicki Modell of the Jeffrey Modell Foundation—named in honor of their son, who died from complications of a genetic condition—led the fight for SCID's inclusion in the newborn screening panel. The Modells have dedicated their lives to early diagnosis, meaningful treatments and, ultimately, cures to genetic conditions through newborn screening and research. According to Fred:

11,000 babies were born in the United States on the day I testified before the Secretary's Advisory Committee in 2010. Today, more than three years later, 5,000 of them will be born in the states that still do not screen for SCID. They will be the unlucky ones. They will not be diagnosed, treated, often cured and at least have a chance at life.



"

The fact that our self-imposed fiscal calamity would let babies die who can be cured is a sad and disgraceful state of affairs, unworthy of the United States of America.

-VICKI MODELL

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CUTS TO INDIAN HEALTH SERVICE VIOLATE TRUST

FEATURING: Aaron Payment, Chairman, Sault Ste. Marie Tribe of Chippewa Indians, Upper Peninsula, Michigan

A 21ST CENTURY PLAGUE

Tribal communities are losing the battle in the nation's war against chronic disease. On average, 16 percent of American Indians and Alaska Natives have type 2 diabetes, a key risk factor for heart disease. In some areas, such as southern Arizona, the rates are as high as one in three. More die of heart disease at younger ages than other Americans; one-third die before the age of 65.

Living on the front lines is Aaron Payment, Chairman of the Sault Ste.
Marie Tribe of Chippewa Indians in Upper Peninsula, Michigan—a state with one of the highest death rates among Native Americans. Heart disease, diabetes, alcoholism, disability, and mental illness plague Aaron's tribe of 44,000, and have since he was a boy:

My parents and grandparents all died in their 50s and 60s. Our elders used to live to be 80. In our community, 60 now marks the end of life. We're losing the keepers of our language, culture, and wisdom.

CRITICAL, BUT NOT ENOUGH

Borne out of a centuries-old relationship between the United States and tribes, the Indian Health Service (IHS) is the principal federal health care provider for 2.2 million American Indians and Alaska Natives in 566 federally recognized Tribes. IHS supports personal and public health services to improve the health status of Native Americans and honor the tribes' inherent sovereign rights.

Aaron sees IHS' value because he spent much of his youth living without it. IHS was one of the Sault Tribe's first federal programs when first federally recognized in 1974. "Without it, our chronic diseases would be much worse," said Aaron. Today, with IHS support the tribe employs 260 health care professionals who provide care to more than 11,000 people.

Still, it's not enough. As Aaron explained, only one-third of the tribe lives in the IHS service area and may access care.

Even when fully funded, we were only functioning at 56 percent of the documented need. There is and has always been significant unmet need across the tribe.

GOING BACKWARDS

The tribe's IHS funding has been flat since 1996, even as health needs and costs of care have both increased. Sequestration cut another \$220 million from IHS. The cumulative impact on the tribe is a 40 percent IHS funding decrease. "We're going backwards," he said. The tribe must now "triage" services under "Priority 1A" status, providing only catastrophic care that is costly in monetary and human terms.vi For example, the tribe will pay for a foot amputation necessitated by diabetes, but can no longer afford preventive services to avoid diabetes altogether. Said Aaron,

We have already cut prevention for more than 2,000 elders. There is a vaccine to prevent shingles, but because we are at Priority 1A status and the disease isn't life threatening, we can't afford to vaccinate.

Sequestration has a compounding impact within the tribe, hitting IHS as well as Head Start, public safety, natural resources, sanitation, and housing. Tribes receive a significant portion of their funding from the government – some as high as 60-70 percent.

NO GOOD WAY TO CUT

Should sequestration continue in 2014, Aaron estimates his tribe's IHS funding could be cut by \$2.5 million. With no "good way to cut," there will be a "dramatic" impact on health:

We have cut into the fat already, so we will have to cancel more services. We have 11 health clinics now. If sequestration continues, we will have to close all but one and pink slip 20 percent of our medical staff. 85 percent of tribes are rural, including my own. In the best of circumstances now, my people drive 2 hours roundtrip to a health clinic. If we have to close clinics, the drive could be as much as 4 hours, one way.

There are other real consequences to the uncertainty caused by lawmakers "kicking the can" on a sequestration fix:

I'm conservative, and I always balance our budget. My 2014 budget assumes sequestration and once approved by the council, I can't spend a dollar more. When I lay off physicians next year, I can't hire them back even if Congress eventually fixes sequestration.

What troubles Aaron most—more than the cuts—is the federal government's eroding obligation to the tribes:

I just want the federal government to honor our treaties. We paid for our health, education, and wellness into perpetuity with the blood, sweat, tears, and wisdom of our ancestors. It's a trust thing. Treaties and tribes are not discretionary.

56

Policymakers are playing a game of chicken with programs that affect real people.

- AARON PAYMENT



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Coalition for Health Funding, National Indian Health Board, and Friends of Indian Health



SEQUESTRATION DEVASTATES PROGRAMS FOR SENIORS WITH ALZHEIMER'S DISEASE

FEATURING: Cheri Taylor, Executive Director of Porterville Adult Day Services, Porterville, California

A DEBILITATING DISEASE

Today, more than five million Americans have Alzheimer's disease, and millions more have related disorders also causing dementia. RAND research published in the New England Journal of Medicine found that these debilitating diseases cost more than \$200 billion annually. The federal government, through Medicare and Medicaid payments, shoulders an estimated 70 percent of all such costs. These cost estimates do not include the value of 15.4 million family members and other unpaid caregivers of people with Alzheimer's disease and other dementias who provided an estimated 17.5 billion hours of care in 2012 alone. As our nation ages, it is expected that 13 million or more Americans will have Alzheimer's disease and total costs of care will exceed \$1 trillion annually by 2050. The emotional and psychological costs of the disease are immeasurable.

SLASHING PROGRAMS LEFT AND RIGHT

In 1965, Congress enacted the Older Americans Act (OAA)to address the lack of community social services for older persons, including those with Alzheimer's disease. It established the Administration on Aging (AoA) to administer new grants for community planning and social services, research and development projects, and personnel training in the field of aging. Today, the OAA is considered to be the major vehicle for the organization and delivery of social and nutrition services for elders and their caregivers. It authorizes a wide array of service programs through a national network of 56 state agencies on aging, 629 area agencies on aging, nearly 20,000 service providers, 244 tribal organizations, and 2 Native Hawaiian organizations representing 400 tribes.iv Budget cuts under sequestration have

had devastating effects on these federal programs that assist older adults, including people with Alzheimer's disease or a related dementia. The nonprofit Porterville Adult Day Services in California relies on funding from OAA to serve the community's low-income clients, most of whom have Alzheimer's disease or other dementia. Cheri Taylor, the agency's Executive Director, has seen a lot of heartache in her 23 years with the organization. With the automatic acrossthe-board sequestration cuts, this year has been the worst of them all and she has had to "slash programs left and right."

These Older Americans Act programs allow people with Alzheimer's disease to remain in their homes longer and provide needed respite to their family caregivers. Any 'savings' from sequestration would pale in comparison to the added costs resulting from unnecessary hospitalizations, premature nursing home placements, and greater financial and emotional strains on family caregivers.

OAA provides flexible funding to state and local agencies to provide a wide range of supportive services to seniors and their caregivers. In particular, OAA's National Family Caregiver Support Program (NFCSP) plays a critical role in supporting family caregivers, enabling local agencies to provide a wide range of services—such as transportation, counseling and respite/adult day programs—to seniors and their caregivers. Such services have proven to help delay institutionalization of individuals with Alzheimer's disease, improve the health and well-being of family caregivers, and reduce costs to society and the government.

Sequestration cut NFCSP by \$12.1 million, impacting approximately 700,000 family caregivers and the older adults they care for.

For Porterville Adult Day Services, sequestration has meant the loss of \$90,000 in Alzheimer's disease Demonstration Grants from OAA and a \$10,000 loss to the program's nutritional component. In addition, the agency had to take other drastic measures to combat budgetary shortfalls, including lowering staff salaries and reducing the number of scholarships offered to low-income clients.

Compounding this bad situation, Cheri said, "In the face of all these deep cuts, costs for each of these services continue to rise along with need."

ANNUAL DOSES OF BAD MEDICINE

The cut in the amount of funding for adult day services has had unintended consequences for both Porterville and the nation as care options, caregiver training, and other family caregiver support services are eliminated.

Caregivers, seeing little choice, are now leaving the workforce to care for loved ones with Alzheimer's disease, with some requiring public assistance for food and housing. As Cheri explained:

Without proper caregiver training, respite care or the ability to place their loved one in an adult day program, family members will be overwhelmed and have few options other than leaving the workforce and remaining home as a fulltime caregiver...Government should be here to help families and family caregivers. If we provide caregivers proper training and supportive services like respite care, nutritional programs and training, they will be better prepared to balance their caregiver duties with their ability to remain in the workforce and pay taxes. If we can find a way to do this, both our society and our families will be better off.



Government should be here to help families and family caregivers.

- CHERI TAYLOR

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Sequestration cuts to programs funded OAA have resulted in:

- + Loss of 1.9 million transportation services for seniors for medical appointments, grocery shopping and other primary needs;
- + Loss of case management services that coordinate care essential to some 290,000 older adults living at home:
- + Loss of homemaker services that help with basic housekeeping needs, such as cooking or laundry, to 1.2 million older adults;
- + Loss of personal care services, such as in-home assistance with bathing, toileting and dressing, to 1.5 million individuals;
- + Loss of access to the health care, socialization and nutrition services provided to some 750,000 individuals in adult day programs; and
- + Loss of OAA legal services to 75,000 seniors, just as elder abuse and fraud are on the rise.

Sources: Leadership Council on Aging Organizations and National Association of States United for Aging and Disability

Ian Kremer, Executive Director of Leaders Engaged on Alzheimer's Disease expressed widespread frustration with policymakers' inability to fix sequestration:

Make no mistake: sequestration is a choice to do catastrophic harm to the most vulnerable among us. Sequestration is a decision that Americans facing devastating illnesses deserve less care and support, that we can afford to slow down scientific pursuit of effective ways to treat or prevent mind and body ravaging diseases like Alzheimer's and related disorders. Sequestration is not one year of pain for a good cause. Choosing sequestration instead of a genuinely responsible long-term fiscal plan means

Congress will have reaffirmed its choice to impose ten annual doses of bad medicine and inflict a lifetime of misery of tens of millions of average, hardworking, patriotic Americans.

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- 2 2013 Alzheimer's Disease Facts and Figures, Alzheimer's and Dementia, Vol. 2 Issue 9. Alzheimer's Association. Available at http://www.alz.org/ downloads/facts figures 2013.pdf
- 3 Hurd, M.D. et al. The New England Journal of Medicine Available at http://www.nejm.org/doi/pdf/10.1056/ NEJMsa1204629
- 4 "Older Americans Act Summary." Administration on Aging. Available at: http://www.aoa.gov/AOA_programs/OAA/index.aspx

5 Leadership Council on Aging Organizations, "NDD Sequestration Hurts Vulnerable Seniors," Oct. 2012. Available at: www.lcao.org/files/2013/02/LCAO-Sequestration-Issue-Brief-Oct2012.pdf)
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AUTHORS

Alzheimer's Foundation of America



CUTS TO MEALS ON WHEELS AND OTHER SERVICES HURT VULNERABLE

FEATURING: Patti Lyons, Executive Director, Senior Citizens, Inc. Savannah, Georgia

LIVING WITH INDEPENDENCE AND DIGNITY

For more than 50 years, Senior Citizens, Inc. has provided an array of services designed to meet the needs of vulnerable, frail, and isolated senior citizens living in Savannah, Georgia and five surrounding counties. These services include homedelivered and congregate meals (at a rate of 1,800 per day), transportation to the doctor, nutrition education, and adult daytime care, all of which boost independence, health, and quality of life.

Investing today in senior nutrition programs like Senior Citizens, Inc. helps our aging population avert far more costly hospitalization and institutionalization expenses by enabling them to remain in their homes and communities for as long as possible.

However, Senior Citizens, Inc. is being squeezed hard by rising costs, decreasing funding—a 20 percent cut in state and federal funding in the last year alone—and a rapidly aging population. Not only does the program operate in a state with a senior hunger rate of 17.52 percent, and a city with a severe poverty rate of 25 percent, many of the seniors it serves live in rural communities in which isolation further complicates daily living.

"It's not just the food, but it's that daily wellness check that's critical," said Patti Lyons, Executive Director of Senior Citizens, Inc. Her agency, like the more than 5,000 other Meals on Wheels and congregate nutrition programs across the country, understands the value of that daily delivery. "There isn't a week that goes by that we haven't found someone who has fallen and needs our help, or even a greater tragedy," said Patti.

Patti stressed that the daily check-in becomes even more critical in rural areas, as the Meals on Wheels volunteer or staff driver is likely the only person a senior will see in an entire day or even a week. She added that Meals on Wheels "allows our seniors to stay where they choose to live and with independence and dignity. We are not warehousing them away." She went on to say that Older Americans Act (OAA) programs "provide family members piece of mind" and allow them to "continue to work and not be at home taking care of mom or dad."

UNABLE TO MEET GROWING NEEDS

However, due to sequestration and state funding cuts, Patti's program has seen a 20 percent funding reduction in the past year, while her waiting list for Meals on Wheels is now up to 600. Despite a diverse funding stream comprised of federal grants through the OAA, state and local funding, and private donations, Pattie reported that she cannot remember a time without a waiting list, and that OAA programs have always been "woefully underfunded." For Senior Citizens, Inc. and thousands of Meals on Wheels programs across the country. sequestration has only added insult to injury.

Patti acknowledged her need to expand capacity and improve facilities to meet the growing need, but explained,

I can't in good conscience build a new facility or purchase a more fuel efficient vehicle when I can't support or provide the basic necessities such as meals.

She has also been forced to lay-off one employee and may need to make additional staff changes in the future.

Like so many programs around the country, the folks who have seen firsthand the value and impact of Meals on Wheels say they just can't understand these cuts. "We can't understand why Congress would rob Peter to pay Paul—especially when Paul is costing so much more. We can feed a senior for an entire year for the

cost of one day in a hospital," Lyons said. "These cuts are very short-sighted."

Like citizens nationwide, Patti realizes Congress has to make tough choices and that certain programs may need to be cut. "But not food. This is a basic necessity," she said.

Meals on Wheels programs in every state and district have made many tough choices, especially in recent months.

Tough choices to add our frail, hungry neighbors to a waiting list; to reduce meal delivery days or the number of meals served; to shutter sites or close their doors altogether. The decision to end sequestration is not a tough choice. In fact, it's a no-brainer, both from a fiscal and moral perspective. We can invest a little in senior nutrition now, or spend a lot more on the negative consequences later.



We can't understand why Congress would rob Peter to pay Paul—especially when Paul is costing so much more. We can feed a senior for an entire year for the cost of one day in a hospital...These cuts are very short-sighted.

- PATTI LYONS

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 Iiliak, James & Craig Gundersen. The State of Senior Hunger in America 2011: An Annual Report. University of Kentucky and University of Illinois. August 2013. http://bit.ly/GAqXUU

ii United States Census Bureau

AUTHORS

Meals On Wheels Association of America



PREVENTIVE MEDICINE RESIDENCY TRAINING SLOTS SLASHED BY SEQUESTRATION

FEATURING:Miriam Alexander, MD, MPH, FACPM, Johns Hopkins Bloomberg School of Public Health and Linda Hill, MD, MPH, University of California San Diego

SERVING THE UNDERSERVED

192.4 million Americans live in communities, both rural and urban, where medical, dental, and mental health providers are in short supply. These Americans—over half of the country—wait longer for primary care services, and often get sicker while they wait.

The health professions education programs, supported by the Health Resources and Services and Administration (HRSA), are the only federal programs focused on addressing the health professions shortage and producing a workforce to care for our nation's underserved communities.

Dr. Miriam Alexander of Johns Hopkins heads one such program. The two-year Preventive Medicine Residency Training Program helps physicians who wish to pursue public health careers and practice in community health centers, public hospitals, and state and local health departments. Said Alexander:

If you look at the major reasons people die prematurely, it has everything to do with how they live. Preventive medicine docs address environmental, cultural, societal factors that impact one's ability to live healthy. Our focus is on ensuring that everyone has access to good health, not just access to good care.

A CRITICAL LIFELINE

By 2020, it's estimated that America will face a shortage of 250,000 public health workers, including in preventive medicine. The nation's 73 accredited Preventive Medicine Residency Training Programs are working to fill the gap. While collectively these programs could support 679 residents, they now operate at only half capacity. The shortfall isn't for lack

of demand. On the contrary, physicians increasingly turn to preventive medicine. Said Alexander:

You don't need to practice primary care very long before you realize putting on Band-Aids doesn't appreciably improve health. At the end of the day, helping people live healthier has a bigger impact.

THE WORST YEAR

This year, sequestration took away what had historically been Alexander's most "stable" source of funding—an unexpected \$300,000 loss. The impact?

Every penny of federal funding went to residents, so we'll lose the ability to train four new residents. Had we received the HRSA money, we were planning to bring in an additional four residents. Now those residents have nowhere to go. And it's all due to sequestration.

Sequestration also caused Dr. Linda Hill of the University of California San Diego to lose her federal funding:

This is the first year UCSD does not have a [HRSA] grant, so this is the worst year of my life. I will cut back on residency slots, lay off faculty—I've laid off one already—and turn to volunteer faculty to keep program afloat.

Should sequestration continue, Alexander and Hill question what would become of the field of preventive medicine.

Alexander knows that of the more than 50 strong applications she'll receive next year, she'll "only be able to take six." Hill is confident that if her federal funding isn't soon restored, "eventually we will lose the program." But her concern is more for the next generation of public health physicians. "The word on the street is there's no funding for preventive

medicine residency training," said Hill. "If the message is 'we're a dying field,' our applicant pool will dry up."

Alexander hopes that policymakers will eventually recognize their "narrowly focused" approach to budgeting, and invest in preventive medicine and other public health programs that help people live healthier and keep health care costs down.



It's mind boggling that you wouldn't put your money into preventing disease and promoting health. Why would you put so much money into treating disease and developing new treatments, when so much that makes us sick is preventable?

- DR. MIRIAM ALEXANDER



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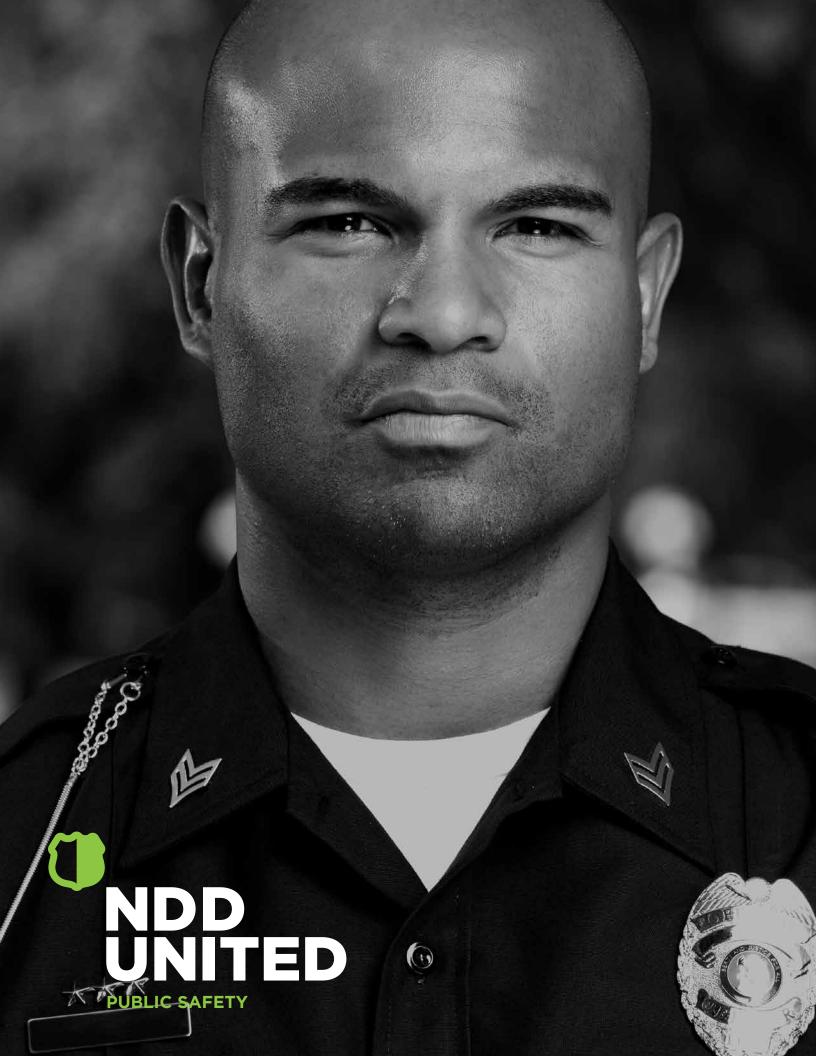
Programs: Adapting to Meet the Nation's Changing Healthcare Workforce Needs, Health Professions and Nursing Education Coalition (available at www.aamc.org/advocacy/hpnec)

ii Confronting the Public Health Workforce Crisis. Association of Schools of Public Health; 2008.

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Coalition for Health Funding and American College of Preventive Medicine







FBI Director James B. Comey FBI visiting field offices and learning that because of sequestration new intelligence investigations were not being opened; criminal cases were being closed; and there was not enough funding for agents to put gas in their cars: 'I'm not crying wolf. I'm not playing a game. This is the FBI. We will salute and execute. But I was very surprised to learn how severe the required cut is — and the potential impact on the FBI.

[WASHINGTON POST, 9/27/2013] WASHINGTON, DC

Diana Solle, Powell County Victim
Assistance Office in response to
the Vera Institute for Justice and
National Criminal Justice Association
Survey: 'Further reductions in
federal funding will eliminate the
victim assistance office, and result in
an increase in domestic violence and
rapes not being reported.'

[2012] MONTANA

Douglas Frazier, Federal Judge in Lee County on reductions in the U.S. Attorney's Office, Marshall Service, AND public defender's office a result of sequestration: 'It's affecting everyone. You just don't know it. Justice delayed is justice denied.'

[NBC-2, 9/19/2013] FLORIDA

Jim Barrett, branch chief of the Federal Public Defender's Office in Cheyenne on 'furlough Fridays' for public defenders: 'The courts are constitutionally required to provide due process...How do they do that if we're unavailable?'

[WYOMING TRIBUNE EAGLE, 9/18/2013] WYOMING

Federal Public Defender for North Alabama Kevin Butler: 'The constitution mandates quality counsel for all persons regardless of their financial status...Sequestration is severely limiting this constitutional right.'

[BIRMINGHAM NEWS, 4/11/13] ALABAMA

U.S. District Court Judge Raner Collins of Tucson: "You have more delays in terms of cases getting to trial, getting processed through the system...You have people spending more time in detention. That costs more money."

[WKAR, 8/26/13] ARIZONA

First Assistant Federal Defender Alexander Silvert: 'It's a tragedy and it's a travesty of justice, and quite frankly, the politicians are at fault for this.'

[AP, 8/29/13] HAWAII

Furloughed firefighter John Eisenbarger on inability of his company to respond to mutual aid calls in nearby communities where volunteer fire companies serve: 'If our own firefighters needed help they wouldn't be there to back them up.'

[NBC PHILADELPHIA, 7/8/13] NEW JERSEY

Chief Judge Loretta Preska of the U.S. District Court in Manhattan: 'We had to let people know that we've cut so far past the fat and so far past the muscle that we're into the bone.'

[WASHINGTON POST, 8/15/13] NEW YORK

Col. Dave Thiele, Director of Personnel for the North Dakota National Guard: 'I don't think anybody can stand a twenty percent pay cut. Granted our North Dakota economy is great but from a family perspective twenty percent is a lot of money. So that is priority number one. Priority number two, not far behind is readiness. And obviously were concerned that our readiness is going to degrade.'

[WDAY, 7/6/13] NORTH DAKOTA

Leigh M. Skipper, the Chief Federal Defender in Philadelphia: 'This is a dark day for the Sixth Amendment.'

[PHILADELPHIA INQUIRER, 4/22/13] PENNSYLVANIA

Attorney General Eric Holder at the Annual Meeting of the American Bar Association's House of Delegates: 'Coordination between America's federal, state, local, and tribal law enforcement agencies has never been more important. It's imperative that we maximize our resources by focusing on protecting national security; combating violent crime; fighting against financial fraud; and safeguarding the most vulnerable members of our society.'

[8/12/13] WASHINGTON, DC

The Judicial Conference of the United States in a letter to the President of the United States: 'We are greatly concerned, however, that our constitutional duties, public safety, and the quality of our nation's justice system will be profoundly compromised if sufficient funding is not provided to the Judiciary in FY2014.'

[8/12/2013] WASHINGTON, DC



PUBLIC SAFETY, PROTECTING OUR COMMUNITIES

The Founding Fathers gave Congress the power to collect and levy taxes to provide for the "common Defence and general Welfare" of the United States. To do so, we need defense not only abroad but here at home, as well. In collaboration with the Department of Homeland Security (DHS) and others, the Department of Justice (DOJ) has the primary responsibility of the federal government for domestic law enforcement and public safety. The Administrative Office of the Courts (AOC), which oversees the federal justice system, has the main responsibility to run the federal courts and provide funding for indigent defense.

Federal programs support state and local government law enforcement, making sure they have the tools they need to protect American lives. They provide funding for services for victims of crime, providing them with the help they need to move beyond being a victim. They fund programs to reduce crime rates and make our neighborhoods better places to live. Federal funds also support the rehabilitation and oversight of previous offenders, helping them become

contributing members of society while ensuring the safety of the community. The Constitution requires that should we be accused of a crime, there will be counsel there to defend us if we cannot afford one.

DHS protects Americans' lives on the frontlines. At United States Customs and Border Protection, agents work to ensure that our borders are safe. The Transportation Security Agency ensures we get from point A to point B safely as we navigate the country's transportation systems. At the Office of Operations Coordination and Planning, federal agents monitor the safety of our country and coordinate safety efforts across various state, local, and federal law enforcement agencies. The United States Coast Guard patrols our waters and provides help to those in trouble off our coasts. In times of disaster, the Federal Emergency Management Agency is on the frontline, providing emergency aid to victims and helping them recover.

THE EXECUTION OF THE CONSTITUTION

Public safety is at the core of the health and vibrancy of our communities. Our nation's justice system is charged with the execution of essential constitutional functions. Among others, the federal justice system spans across:

- Federal, state and local law enforcement;
- Efficient and safe courts systems;
- Crime victim services;
- Prevention of youth violence;
- Research and implementation of evidence-based practices; and
- Prisons, jails and community corrections facilities that maximize community safety and promote practices to reduce future crimes.

REAL CONSEQUENCES OF FEDERAL BUDGET CUTS

Attorney General Eric Holder has observed that sequestration has "imposed untenable and irresponsible cuts" on already tight budgets. In fact, sequestration is already impacting federal law enforcement. Even before the federal shutdown, the Federal Bureau

The Department of Justice is made up of 40 agencies, including:

U.S. ATTORNEY'S OFFICES -United States Attorneys are the nation's principal litigators under the direction of the Attorney General.

FEDERAL BUREAU OF INVESTIGATION (FBI) - FBI focuses on threats that challenge the foundations of American society or involve dangers too large or complex for any local or state authority to handle alone.

DRUG ENFORCEMENT ADMINISTRATION (DEA) - DEA enforces the controlled substances laws and regulations of the United States.

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES (ATF) - ATF protects our communities from violent criminals, criminal organizations, the illegal use and trafficking of firearms, the illegal use and storage of explosives, acts of arson and bombings, acts of terrorism, and the illegal diversion of alcohol and tobacco products.

U.S. MARSHALS SERVICE - U.S. Marshals represent the enforcement arm of the federal courts, and are involved in virtually every federal law enforcement initiative.

BUREAU OF PRISONS (BOP) - BOP administers the federal prison system.

Additionally, DOJ houses the Office of Justice Programs (OJP), Community Oriented Policing Services (COPS), and the Office of Violence Against Women (OVW), all of which provide grant funds to state, local, and tribal governments for crime prevention and intervention programs, as well as funding for criminal justice system improvement programs.

Case Study in Cuts: Federal Bureau of Prisons

SEQUESTRATION PLACES ADDITIONAL STRAINS ON SYSTEM ALREADY UNDER STRESS

The federal Bureau of Prisons (BOP) faces the dual challenge of an increasing population and rising costs. According to the Congressional Research Service, the number of inmates under the BOP's jurisdiction has increased from approximately 25,000 in 1980 to nearly 219,000 in 2012. (1) The BOP's budget has also doubled over the last fifteen years, reaching its current level of more than \$6 billion in fiscal year 2012, representing 25 percent of DOJ's overall budget. Notwithstanding the budget increases, current BOP Director Charles Samuels has acknowledged that, under current conditions, the system is at 36 percent over capacity, jeopardizing the safety of staff and inmates—as evidenced by the recent tragic murder of a BOP staffer stabbed to death by an inmate in Pennsylvania. (2)

The Justice Department's annual report to the U.S. Sentencing Commission also acknowledged that "now with the sequester, the challenges for federal criminal justice have increased dramatically and the choices we all face - Congress, the Judiciary, the Executive Branch - are that much clearer and more stark: control federal prison spending or see significant reductions in the resources available for all non-prison criminal justice areas." (3) The report also notes that the explosive growth of the U.S. prison population has impacted our communities, "including the erosion of trust and confidence in criminal justice among many citizens, particularly in disadvantaged communities and communities of color." (4)

- (1) James, N., (2013, January). The Federal Prison Population Buildup: Overview, Policy Changes, Issues, and Options (CRS Report No. R42937); La Vigne, N. & Samuels, J., "The Growth & Increasing Cost of the Federal Prison System: Drivers and Potential Solutions," Urban Institute Justice Policy Center, December 2012. (2) Charles E. Samuels, Jr. (Director, Federal Bureau of Prisons). "Testimony on Oversight of the Federal Prison System before the Judiciary Committee of the U.S. House of Representatives Subcommittee on Crime." (September 19, 2013). Additionally, Council of Prison Locals President, Eric Young, has noted that cuts to BOP funding has jeopardized the safety of correctional officers who comprise his union's membership. See http://citizensvoice.com/news/crisis-at-canaan-families-of-slain-officers-demand-action-on-prison-staffing-1,1561748.
- (3) J. Wroblewski, to The Honorable Patti B. Saris, United States Sentencing Commission, July 11, 2013. Last accessed: http://www.justice.gov/criminal/foia/docs/2013annual-letter-final-071113.pdf
 (4) Ibid.

of Investigation (FBI) announced that the Bureau will shut down its headquarters and offices across the country for roughly 10 weekdays over the next year if sequestration continues in 2014. This means fewer agents in the field working to protect Americans.

Indeed, federal funding to support the use of evidence-based prevention and law enforcement strategies in our communities has already declined substantially. Federal support for the criminal justice assistance grant programs has decreased, on average, by 43 percent since fiscal year 2010. Specifically:

- The Byrne Justice Assistance Grant (Byrne JAG): 34 percent cut
- Community Oriented Policy Services (COPS) Hiring Program: 44 percent cut
- Residential Substance Abuse
 Treatment for State Prisoners (RSAT):
 67 percent cut

- The National Instant Criminal Background Check System (NICS): 75 percent cut
- Juvenile Justice and Delinquency Prevention Act (JJDPA) programs: Over 50 percent cut
- State Criminal Alien Assistance
 Program (SCAAP)—reimbursement
 to state and local governments
 for the incarceration of illegal
 immigrants—27 percent cut vi

Within the entire federal budget, nondefense discretionary spending for DOJ represented around \$22.5 billion, or 0.7 percent of federal spending in 2013 (see chart). During the same period, DOJ grants to states and localities represented less than one-tenth of one percent of federal spending (or about 12.86 percent of DOJ's total budget) Since the federal investment is already a small portion of already reduced investment, any further cuts will have an even more dramatic impact on the nation's ability to combat violent crime, to promote research and evidence-based

practices and to encourage innovation that will strengthen our communities.

Continued federal investment in crime prevention and law enforcement is critical to public safety in all of our communities. These investments have contributed to lower crime rates, and should not be taken for granted. If sequestration continues, we stand to lose the progress that as been made and the opportunity to do what we know works to keep our communities safe and secure.

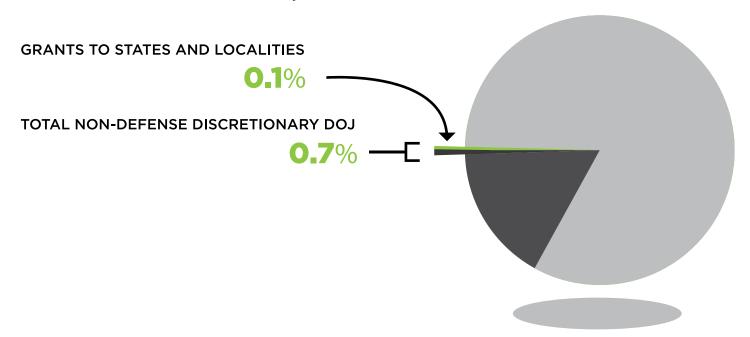


PUBLIC SAFETY AND SECURITY OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

CATEGORY	2013	C
A) PUBLIC SAFETY AND SECURITY	1.97%	В D
B) OTHER NDD	14.93%	
C) DEFENSE DISCRETIONARY	18.20%	
D) NET INTEREST PAYMENTS	6.45%	E
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %	
F) OTHER ENTITLEMENT PROGRAMS	12.72%	

Source: CBO May 2013 Baseline

NON-DEFENSE DISCRETIONARY DEPARTMENT OF JUSTICE, FY 2013



SOURCES

i While these agencies contribute to public safety and security, they are subject to other federal appropriations not discussed in this chapter.

ii As an example, federal funding for OJP's prisoner reentry initiative has ranged from \$5 million in FY 2004 to \$11.7 million in FY 2008.

iii James, N., (2008, January). An Overview and Funding History of Select Department of Justice (DOJ) Grant Programs (CRS Report No. RI 33489)

iv Attorney General Eric Holder Delivers Remarks at the Annual Meeting of the American Bar Association's House of Delegates (August 12, 2013). Justice News, http://www.justice.gov/iso/opa/ag/speeches/2013/agspeech-130812 html

v See Schmidt, M., "F.B.I. Plans to Close Offices for 10 Days to Cut Costs," N.Y. Times, September 12, 2013.

vi "The Impact of Federal Budget Cuts on State and Local Public Safety: Results from a Survey of Criminal Justice Practitioners," National Criminal Justice Association (NCJA) and the Vera Institute of Justice (2012).

vii Congressional Budget Office, "Updated Budget Projections: Fiscal Years 2013 to 2023," May 14, 2013, http://www.cbo.gov/publication/44172.



COURTS, DEFENDERS, AND PAROLE OFFICERS FEEL THE PAIN OF BUDGET CUTS

FEATURING: The Honorable Paul Cassell, Former United States Federal Judge, Utah
The Honorable Nancy Gertner, Former United States Federal Judge, Massachusetts
David Thomas, New Jersey State Parole Board, Trenton, New Jersey

COMPROMISING CONSTITUTIONAL DUTIES

The Federal Court System has not been immune to the budget slashing. Large percentage cuts to the federal judiciary have meant decreased supervision and services for those reentering society and decreased access to justice. Even the most sacred of American rights in the court system – the right to counsel – has been threatened by recent cuts, leaving the federal justice system crippled and putting our safety and liberties at risk.

The Judicial Conference of the United States has somberly observed that "our constitutional duties, public safety, and the quality of our nation's justice system will be profoundly compromised if sufficient funding is not provided to the Judiciary in fiscal year 2014." Chief Judges of 87 federal district courts agree. In August 2013, they told Congress that flat funding and sequestration have "forced [them] to slash operations to the bone." They explained that the cuts have impacted their ability to carry out the Constitutional responsibilities of the Judiciary.

ONE WILL BE APPOINTED TO YOU... EVENTUALLY

Perhaps one of the most revered of American rights is the right to counsel. Yet, even funding for the essential public defender system is being slashed to dangerous levels. The Chief Judges identified impacts on the public defender system to be "the most significant impact . . . thus far." U.S. Attorney General Eric Holder, the nation's chief prosecutor, shares these concerns, arguing that, "these cuts threaten the

integrity of our criminal justice system and impede the ability of our dedicated professionals to ensure due process, provide fair outcomes and guarantee the constitutionally protected rights of every criminal defendant."

Former federal judges Paul Cassell and Nancy Gertner assert:

Due to the combination of general budget austerity and sequestration, the federal public defender system – a model of effective indigent defense for the past 40 years – is being decimated... as former federal judges from opposite ends of the ideological spectrum, we both understand that these shortsighted cuts threaten not only to cripple the federal defender system, but to disrupt the entire federal judiciary – without producing the promised cost savings.iii

Limits on funding for public defenders will mean higher workloads for these public servants which will lead to longer waits for trials for those accused of crimes who cannot afford their own lawyer. This is a clear failure of the justice system and has even led to a delay in the trial of alleged terrorist Sulaiman Abu Ghaith, Osama bin Laden's son-in-law, according to the Judicial Conference of the United States.iv

STUCK IN THE SYSTEM

Parole and probation are a vital part of the criminal justice system. These programs help offenders make the transition from prisons and jails to becoming contributing members of society. This relieves the financial pressure on the prison system and improves the society in which we live. The federal government plays a key role in supporting programs to rehabilitate offenders reentering society, which in

turn saves taxpayers money and makes our neighborhoods safer. Funding for these programs has shown real impact. For example, in 2011, before the implementation of the Budget Control Act and sequestration, parolee failure dropped to just 12 percent, down from 15 percent the previous year. Without appropriate funding, however, federal parole and probation programs struggle to maintain their services, putting our safety and well being at risk.

At the federal level, the Judicial Conference has observed that:

Staffing in probation and pretrial services offices is down seven percent since 2011 at a time when the number of convicted offenders under the supervision of the federal probation officers hit a record of 187,311 in 2012 and is on pace to reach 191,000 in 2014. In addition, a 20 percent cut had to be made to the funding for drug, mental health, and sex offender treatment, as well as to drug testing services for offenders, searches, and electronic and GPS monitoring.vi

The dramatic decrease in these services will only exacerbate the revolving cycle of crime. Currently, about 40 percent of former federal prisoners are rearrested or have their supervision revoked within three years after their release, according to the Attorney General. For our communities, this means additional crime that may have been prevented.

Federal cuts are also dramatically impacting state efforts to supervise former offenders. David Thomas, Executive Director of the New Jersey State Parole Board, reports that his office has experienced a reduction in opportunities to acquire federal grants used to enhance community programs that directly support parolee services. Increased competition for limited

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The federal defender office in New York recently asked to postpone the trial of alleged terrorist Sulaiman Abu Ghaith, Osama bin Laden's son-in-law.

- THE JUDICIAL CONFERENCE OF THE UNITED STATES



federal funding makes it more difficult for David's program to obtain grants for mental health treatment, substance abuse, housing, and employment programs for the population his agency serves. In addition to the adverse impact on programs, David notes that professional training has suffered as a result of a reduction in federal funding.

SOURCES

i September 10, 2013 letter from the Secretary of the Judicial Conference of the United States to the President of the United States Barack Obama. Chief Justice John Roberts presides over this policy-making body for the federal court system.

ii Letter from 87 Chief Judges of Federal District Courts to the Honorable Joseph R. Biden, Jr., President, United States Senate. August 13, 2013.

iii Cassell, P. & Gertner, N., "Public Defenders Fall to the Sequester: Steep budget cuts compromise the justice system and won't save money in the long run," Wall Street Journal (August 21, 2013).

See Johnson, C. "Justice Department Tackles Quality of Defense for the Poor", NPR (September 3, 2013) http://www.npr.org/2013/09/03/216809388/justice-dept-tackles-quality-of-defense-for-the-poor. (reporting that DOJ may support independent monitors to oversee the overwhelming caseload imposed on federal defenders as a result of budget cuts).

iv September 10, 2013 letter from the Secretary of the Judicial Conference of the United States to the President of the United States Barack Obama. Chief Justice John Roberts presides over this policy-making body for the federal court system.

v One in 34 US Adults Under Correctional Supervision in 2011, Lowest Rate Since 2000, Bureau of Justice Statistics, available at http://www.bjs.gov/content/pub/press/cpus11ppus11pr.cfm (Accessed September 30, 2013)

vi September 10, 2013 letter from the Secretary of the Judicial Conference of the United States to the

vii Attorney General Eric Holder Delivers Remarks at the Annual Meeting of the American Bar Association's House of Delegates (August 12, 2013). Justice News, http://www.justice.gov/iso/opa/ag/speeches/2013/agspeech-130812.html.

viii This information came as part of a survey conducted in the summer of 2013 by the National Criminal Justice Association (NCJA) and the Vera Institute of Justice.

The survey was distributed to state and local criminal justice stakeholder organizations, and a forthcoming report on the findings will be released in the coming weeks.

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BYRNE JAG CUTS COMPROMISE GANG PREVENTION EFFORTS

FEATURING: Nika Thu, Los Angeles County District Attorney's Office

COMPROMISING CONSTITUTIONAL DUTIES

The federal government plays an important role in law enforcement and local public safety initiatives. Through grants to states and local communities, the federal government supports local police, prosecutors, the courts, and the kinds of support services offenders need when they return to the community from jail or prison. The largest of these federal grant programs is the Edward Byrne Memorial Justice Assistance Grant (Byrne JAG). The Byrne JAG program provides states, tribes, and local governments with critical funding necessary to support a range of program areas including law enforcement, prosecution and courts, crime prevention and education, corrections and community corrections, drug treatment and enforcement, planning, evaluation, technology improvement, and crime victim and witness initiatives.

In Los Angeles County, the District Attorney's Office uses grant money from Byrne JAG to support their Strategies Against Gang Environments (SAGE) program. This program provides legal services aimed at reducing street gang activity, narcotics sales and use, and related urban problems. The goal is to improve the quality of life in a neighborhood to reduce crime. SAGE prosecutors are assigned to specific geographical areas within Los Angeles to work with law enforcement, probation, residents, local officials, school districts and others to develop and implement crime reduction and crime prevention strategies. This targeted community prosecution-based approach has effectively reduced criminal activity.

In fiscal years 2010 and 2011, the Pasadena and Florence/Firestone SAGE sites in Los Angeles County received funding from the Los Angeles SAGE program. The allocation provided \$71,000 to the Pasadena SAGE site and \$75,000 to the Florence/Firestone SAGE site, along with support to the sites' prosecutors. With that funding, prosecutors were able to significantly improve the lives of the citizens living in these sections of Los Angeles County. The reduction in federal funding, however, resulted in the elimination of two SAGE prosecutors.

TANGIBLE COMMUNITY BENEFITS ON THE CHOPPING BLOCK

Nika Thu is the manager of the grants and contract management section of the Los Angeles County District Attorney's Office. According to Nika, the SAGE program provided for the service of a deputy district attorney who was assigned to the Florence/Firestone area in Los Angeles County. The deputy district attorney then used the SAGE program's resources to become deeply involved in the Florence/Firestone community and worked on multiple community improvement programs. In East Los Angeles for example, he worked with the Parent Project Collaborative or "Parent Project," Los Angeles County Department of Parks and Recreation, and the Sheriff's Department's Vital Intervention Directive to expand the Parent Project to reach more parents and teach effective parenting skills to keep their kids drug-free and out of gangs. The same deputy district attorney also led the Florence-Firestone Vandalism Enforcement Team and participated in School Attendance Review board meetings, a Nuisance Abatement Team, and the Florence-Firestone Community Enhancement Team. Nika credits the recent improvements in crime rates and quality of life in the neighborhood to the participation of the assigned prosecutor in community activities.

The SAGE funding that went to Pasadena improved the safety of the community

by taking murderers and gang members off of the street. In 2010, the deputy district attorney assigned to Pasadena completed four jury trials, three of which resulted in guilty verdicts. One defendant was convicted of murder and two of attempted murder. Both cases involved firearms and were gang-related. There were also two new case filings for murder and attempted murder involving five different gang member suspects. The deputy district attorney prosecuted all of the matters and carried a caseload of 11 cases with 24 defendants. Ten of these cases were for murder and one was an attempted murder.

CRIME PREVENTION BROUGHT TO A HALT

Due to federal budget cuts, the Los Angeles County District Attorney's Office was forced to eliminate both of these SAGE prosecutor positions despite the tangible community benefits from their individual work and accomplishments. The prosecutor from the Florence/ Firestone area will no longer be able to educate parents on how to keep their children away from drugs and crime, or participate in other efforts to reduce crime in the community, limiting the improvement in the neighborhood and the lives of those living there. In Pasadena, they will have decreased capacity to prosecute some of the worst offenders and gang members, putting the entire community at greater risk.

SOURCES

i This information came as part of a survey conducted in the summer of 2013 by the National Criminal Justice. Association (NCJA) and the Vera Institute of Justice. The survey was distributed to state and local criminal justice stakeholder organizations, and a forthcoming report on the findings will be released in the coming weeks.

ii Byrne Justice Assistance Grant (Byrne JAG) Program, Bureau of Justice Assistance https://www.bja.gov/ ProgramDetails.aspx?Program_ID=59 (last accessed September 25, 2013).

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INSULT TO INJURY: CUTS TO SUPPORT SERVICES HURT CRIME VICTIMS

FEATURING: Diana Solle, Powell County Victim Assistance Office, Deer Lodge, Montana Barbara Anderson, Pro Bono Counseling Project, Baltimore, Maryland

The federal government plays an important role in ensuring that victims of crimes have access to the services they need on the road to recovery. For example, Victims of Crime Act (VOCA) formula grants for crime victim assistance, awarded through sub-grants to state agencies and local services providers, support direct services to crime victims in every state, the District of Columbia, and every territory. The Office for Victims of Crime (OVC) awards these grants in accordance with VOCA, the Victim Assistance Guidelines, and the Office of Justice Programs (OJP) Financial Guide.

STRIPPING SERVICES FOR THE MOST VULNERABLE

A VOCA grant is the sole source of funding for the Powell County Victim Assistance Office in Deer Lodge, Montana. This is the only victim service organization in the 2,326 square mile county that provides desperately needed support and advocacy services to domestic violence and sexual assault victims. Victim and witness advocate Diana Solle manages the office and is its only employee. She works with domestic

abuse and sexual assault victims to place them in safe houses, secure orders of protection, and navigate complicated legal proceedings. She also performs crime victim advocacy and works to raise community awareness and provide education about domestic abuse and sexual assault.

The OVC awarded the Powell County Victim Assistance Office \$39,404 in funding for 2010. The funding has been cut every year since that 2010 award, and the office received just \$34,340 in 2013. Current funding now only covers Diana's salary and additional cuts would likely close the office altogether. Diana has worked hard to prevent the cuts from affecting her clients, and she now spends as much of her time fundraising as serving as a victim advocate and community educator. She is no longer able to cover travel expenses, forcing her to rely on webinars for advanced training. To provide a motel room, a tank of gas, and toiletries to domestic abuse victims who have been forced to make emergency exits from their homes, Diana must now rely on community donations. To raise money for community education, she sells bumper stickers. Diana also solicits old mobile phones from the community and provides those donated

phones to domestic violence victims so they may dial 911 in emergencies.

Despite limited funding, Diana has kept the Powell County Victim Assistance Office running and successful. She boasts about the "greatest success story" in their small community in which, due to awareness programs and victim advocate visibility, domestic violence reports have decreased about 20 percent in the past year. She also notes that teenage girls are now more willing to report rapes and cooperate with prosecutors as witnesses. According to Diana, this particular development has not occurred overnight, but has taken approximately six years to achieve. Further reductions in federal funding, she explains, will eliminate the victim assistance office and result in an "increase [in] domestic violence and rapes not being reported." The potential office closure is significant, as "there will be no assistance for fragile victims for the entire county."

CUTTING SERVICES FOR VICTIMS OF CRIME

Funding cuts are also adversely affecting

Budget cuts have a profound effect on domestic violence victims:

- Sequestration cuts are the equivalent of 22,300 unanswered calls for domestic violence help over one year comparable to the National Domestic Violence Hotline shutting down for one month.
- In the top five call volume states alone, more than 10,700 people lose access to essential services.
- According to the National Network to End Domestic Violence, 526,008 more domestic violence victims will not get services each year under sequestration.
- (1) Almost 75 percent of rape crisis centers lost funding in the past year through a combination of local, state, and federal cuts resulting in layoffs, reduced services and program closures. (1)

(1) "How does sequestration affect those seeking help from the National Domestic Violence Hotline;" National Domestic Violence Hotline; National Alliance to End Sexual Violence: 2013 Rape Crisis Center Survey, available at http://www.endsexualviolence.org/where-we-stand/2013-rape-crisis-center-survey.



Further reductions in federal funding will eliminate the victim assistance office, and result in an increase in domestic violence and rapes not being reported...there will be no assistance for fragile victims in the entire county.

- DIANA SOLLE

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the Pro Bono Counseling Project (PBCP) in Baltimore, Maryland. Like the Powell County Victim Assistance Office, PBCP relies heavily on VOCA funding to support its work with crime victims. In Maryland, the VOCA funds are administered through the state's STOP Violence Against Women Act Program and the Maryland Victims of Crime grant program for victim support programs.iii

PBCP's mission is "to ensure that uninsured and underinsured Marylanders requesting mental health care are provided access to volunteer licensed mental health professionals and other necessary supportive services."iv Since 1991, the PBCP has linked more than 19,500 uninsured, low-income families and individuals throughout Maryland with over 1,600 licensed therapists. They connect these families and individuals with therapists by conducting interviews with the families and individuals within 24 hours after their initial phone call to PBCP, and personalizing PBCP's services to meet the needs of both the client and the volunteer therapist. vi Those therapists provided more than 76,000 hours of free mental health care at a value of more than \$6.9 million.vii

Barbara Anderson, the Executive Director of PBCP, described the positive impact of

the project for Maryland families affected by crime. She tells the story of one of her clients whom the Baltimore City State's Attorney's Office had referred to PBCP. Ms. S., a single parent, witnessed her 11-year old daughter get stabbed in their home. With the help of the project's bilingual victim assistant therapist, Ms. S. was able to cope with the effects of the trauma, as well as her concerns about testifying in court against her daughter's assailant. After six months, Ms. S. described the positive impact of the program on her recovery, stating, "my therapist is very, very helpful and we get along well. I'm so happy for PBCP - I just want to thank everyone. We are now ready to go to court."

Without the federal funding, Barbara says hospitals, prosecutor offices, law enforcement, and others would be unable to send distressed primary and secondary victims of crimes in need of bi-lingual assistance to her agency for essential mental health treatment.

During the last year, PBCP served 3,500 families and individuals like Ms. S, and provided services to 22 Maryland counties in addition to the City of Baltimore.

Today, PBCP receives 16 percent less funding than it did in 2009. While PBCP has used discretionary funds to fill the gaps caused by the lost VOCA funding,

continued cuts would threaten the ability for people like Barbara to help victims and their families.

SOURCES

i This information came as part of a survey conducted in the summer of 2013 by the National Criminal Justice Association (NCJA) and the Vera Institute of Justice. The survey was distributed to state and local criminal justice stakeholder organizations, and a forthcoming report on the findings will be released in the coming

ii http://www.ojp.usdoj.gov/ovc/grants/types.html

iii Fact Sheet, Victims of Crime Act, Governor's Office of Crime Control and Prevention http://www.goccp. maryland.gov/msac/documents/FactSheets/VOCA-Program.pdf (last accessed September 25, 2013).

iv Ibid.

vAbout Us, The Pro Bono Counseling Project http://probonocounseling.org/about_us (last accessed September 25, 2013).

vi Ibid

vii Ibid.

viii Ibid

AUTHORS

Vera Institute of Justice







But according to the most recent study by the Bureau of Business Research at the university, a \$40 million reduction will lead to an estimated 256 jobs lost at the university, and 656 jobs lost outside of the university.

UNIVERSITY OF UTAH [EXPLORE UTAH SCIENCE, 6/25/13] UTAH

When I think about not being a scientist anymore my heart hurts. But sadly, due to continued budget cuts to biomedical research, within the next few years that is most likely exactly what I will be — no longer a scientist, no longer a researcher searching for cures for disease.

ABIGAIL SCHINDLER, POSTDOCTORAL FELLOW AT UNIVERSITY OF WASHINGTON [THE SEATTLE TIMES, 7/23/13] WASHINGTON

As an aging population raises the cost of treating diseases like diabetes, heart disease and Alzheimer's, slowing the pace of research will delay the discovery of cures and treatments that might slow the rise in health care costs.

[NBC NEWS, 5/28/13]

You would think that because science and medical research are vital in untold ways to America's health and wealth and general well-being, members of Congress would be wise enough to stop automatic cuts in these fields before the new fiscal year begins Oct. 1.

[TAMPA BAY TIMES, 9/13/13] FLORIDA

However, today, federal budget priorities for research are dwindling and the effects of sequestration are creating an 'innovation deficit' in our economy. And, because our ability to grow our way to recovery is contingent upon new discoveries, we are setting ourselves up to fail. - Eli Capilouto, President Of The University Of Kentucky [HUFFINGTON POST, 9/26/13] KENTUCKY

'If I'm not funded in the next six months, I will be forced to abandon most of my research project,' [Yuntao Wu of George Mason University] said. 'Some of these projects have been invested in for years.' Recently, he's begun thinking about leaving the country for greener pastures. 'I am starting to set up collaboration with Chinese researchers because the funding here dried up. This will permit me to at least keep some of my project alive,' he said. 'It has been very frustrating for me. I am in the middle of my career and the most productive time of my life.

[HUFFINGTON POST, 8/14/13] VIRGINIA

Children's Hospital in Los Angeles lost \$1 million from its NIH grant as part of sequestration this fiscal year. 'That means figuring out how to keep the discoveries in children's cancer research moving forward and still close that million dollar gap in funding,' said Brent Polk, the hospital's Physician in Chief.

[SOUTHERN CALIFORNIA PUBLIC RADIO, 5/30/13] CALIFORNIA

Innovation-focused pools of capital need to be available at the federal level for regions to leverage existing resources, spur collaboration, and support job creation in high growth industries.

[FORBES, 12/3/12]

PhD candidate Meredith Chabrier is worried that the reduction in research dollars may push her out of the field she loves: brain science. Some of her professors UC Irvine have told her that after she finishes nearly a decade of education and training, there may not be enough work for her when she graduates. 'That's really hard to grasp,' Chabrier said.

[SOUTHERN CALIFORNIA PUBLIC RADIO, 5/30/13] CALIFORNIA

Jeremy B. Tuttle, Ph.D., Professor of Neuroscience at the University of Virginia School of Medicine: 'My work has been supported continuously by NIH, NSF, various foundations and other sources, but primarily NIH. I have decided to shut my lab down by the end of this year and resign... That is the result of sequestration combined with stagnant support for some time - a hole in the time line of scientific progress.' [HUFFINGTON POST, 8/16/13] VIRGINIA

[Giuseppina Nucifora, Professor of Hematology/Oncology in the University of Illinois at Chicago College of Medicine]: 'My lab has unfortunately lost the 20-years continuous NIH support for research on a disease that affects the blood cells of mostly older patients.'

[HUFFINGTON POST, 8/16/13] ILLINOIS

'It is like a slowly growing cancer,' said Steven Warren, vice chancellor for research at University of Kansas. 'It is going to do a lot of destruction over time. You are going to see people's careers end early on -- assistant professors, associate professors. They will never get that grant at that critical time and they're gone. You are going to see promising graduate students not be promising graduate students, and just leave. And it will play out over a period of many years.

[HUFFINGTON POST, 7/10/13] KANSAS

Pat O'Shea, University of Maryland vice president and chief research officer, said universities were already witnessing an across-the-board brain drain, with top researchers fleeing to more accommodating pastures 'It is not just junior faculty, it is senior faculty,' O'Shea said. 'It is something that we never saw before.'

[HUFFINGTON POST, 7/10/13] MARYLAND

'Even senior researchers are finding it more difficult,' said Gerald Stacy, administrative director of Hopkins' Institute for Clinical and Translational Research, which manages the translational grant funds and programs there. 'As our budget gets smaller, more people are saying, 'Can you help me?'

[BALTIMORE SUN, 8/16/13] MARYLAND

'[Dorothy M. Supp, Ph.D., Associate Investigator at the Shriners Hospitals for Children at Cincinnati Burns Hospital]' My research has been greatly impacted by NIH budget cuts...New rules at NIH only permit you to submit a grant application two times: one original submission, and if not funded, one revised submission... My last application was scored 19th percentile... I was told the cut-off was 15% this year due to sequestration and the continuing resolution. This was a revised application so this project can no longer be submitted to NIH for funding...it's dead in the water. I have submitted over a dozen grant applications in the last two years alone, with no success. I got my PhD in 1994 and should be at the peak of my career. Instead I am constantly writing grant after grant, trying to keep myself and my two research assistants employed. Discouraging doesn't begin to describe the current climate.' [HUFFINGTON POST, 8/16/13] OHIO

'If Congress continues to allow the sequestration to take place every year for the next three or four years and the discretionary funding for R & D gets dramatically cut 10 percent every year now for another four, five years, then it's gonna be a tougher world for us,' [University of Tennessee Vice Chancellor for Research and Engagement Taylor Eighmy] said.

[THE DAILY BEACON, 4/1/13]
TENNESSEE



INNOVATION AND ECONOMIC GROWTH COMES FROM UNDERSTANDING OUR WORLD

Federal investment in scientific discovery has propelled Americans to the moon, launched the Internet, and sequenced the human genome. The vibrant culture of freedom and curiosity that abounds in the United States has produced astounding breakthroughs in every field of science, from astrophysics to zoology. A strong, sustained federal investment in scientists and the groundbreaking research they conduct has been the backbone of this enterprise.

Smartphones, global positioning systems, satellite television, and magnetic resonance imaging are but a few examples of how the U.S. federal investment in scientific research shapes the world around us. The technological innovations underlying these inventions were not derived in the labs of corporations. Rather, research funded by the federal government through the National Science Foundation (NSF), the National Aeronautics and Space Administration (NASA), the Department of Energy, and others gave scientists and engineers working in the U.S. the necessary tools and freedom to explore

the important scientific questions that made these technologies possible. Furthermore, federal investments in biomedical research through the National Institutes of Health (NIH) have resulted in a steadily increasing life expectancy for Americans. From the invention of vaccines that prevent disease to the most recent advances in molecular medicine, federally funded biomedical research saves lives.

NIH and NSF support of behavioral and social science research including demography, economics, psychology, and sociology has also improved the health and well-being of the American people, developing approaches for limiting the spread of infectious diseases, reducing health care costs, improving long-term health and achievement outcomes of children, and implementing disease and disability prevention strategies.

Research labs are to the national scientific enterprise what small businesses are to the American economy. Individual labs, funded by federal grants for research, employ young scientists and make the discoveries that tech companies capitalize on. Corporations such as Apple, Pfizer, and Boeing, have built their success on pioneering discoveries made by federally funded scientists working at American universities. This pipeline of discovery and commercialization pays real dividends for the American taxpayer—research

in American labs and commercialized by American companies leading to a 1 percent drop in the yearly cancer mortality rate saves the U.S. \$500 billion per year in health care costs. The information technology sector, building on foundational discoveries made by federally funded scientists, contributes nearly \$1 trillion per year to the U.S. gross domestic product. The federal investment in scientific research pays significant dividends.

AUSTERITY THREATENS AMERICAN INNOVATION

Once considered the global leader in innovation, America is falling behind as the federal investment in research and development has declined over the past decade. Federal investments in scientific research have stagnated and failed to keep pace with inflation. Furthermore, sequestration and other budget cuts to federal scientific agencies have eroded our ability to invest in the next generation of scientists to continue groundbreaking research. These trends must be reversed for American scientists to continue making critical scientific discoveries. An enduring federal investment in scientific research is essential to preserving and improving the lives of Americans.

Federal Role: Principal Nondefense Scientific Agencies

DEPARTMENT OF ENERGY is the lead federal agency supporting fundamental scientific research for energy and the nation's largest supporter of basic research in the physical sciences.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION is responsible for the nation's civilian space program and for aeronautics and aerospace research.

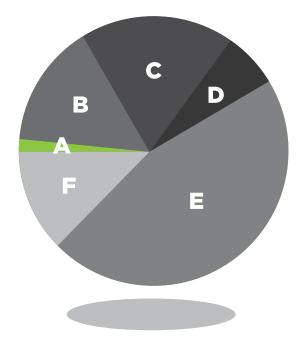
NATIONAL INSTITUTES OF HEALTH is the primary agency of the United States government responsible for biomedical, behavioral, and social science research designed to enhance health, lengthen life, and reduce illness, and disability.

NATIONAL SCIENCE FOUNDATION supports fundamental research and education in all the non-medical fields of science and engineering.

There are several other nondefense discretionary research programs within the Departments of Agriculture, Commerce, Health and Human Services, Homeland Security, and Labor. Included in defense discretionary spending, the Department of Defense is the largest contributor to research and development in the federal government, funding weapons systems, research on health of military personnel, and basic science and engineering.

RESEARCH OUTLAYS AS A PERCENT OF ALL FEDERAL SPENDING, FY 2013

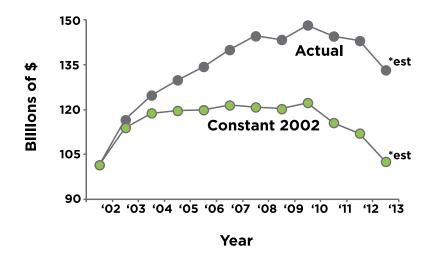
CATEGORY	2013
A) SCIENCE	1.59%
B) TOTAL NDD	15.31%
C) DEFENSE DISCRETIONARY	18.20%
D) NET INTEREST PAYMENTS	6.45%
E) SOCIAL SECURITY, MEDICARE, MEDICAID	45.73 %
F) OTHER ENTITLEMENT PROGRAMS	12.72%



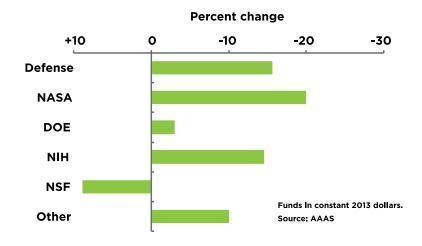
Source: CBO May 2013 Baseline



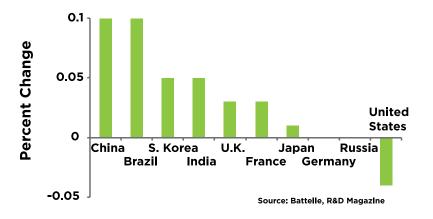
FEDERAL R&D INVESTMENTS SINCE 2002



REDUCTION IN AGENCY FUNDING SINCE 2004



CHANGE IN PERCENTAGE OF GDP INVESTED IN RESEARCH SINCE 2011



From fiscal year 2002 to 2010, federal funding for scientific research increased steadily. However, when adjusted for inflation, core federal funding for science has remained relatively flat. Since fiscal 2010, the federal investment in science has fallen, in nominal and inflationadjusted dollars, with total funding suffering a nearly 20 percent reduction in purchasing power in only three years.

DATA INFRASTRUCTURE UNDERMINED

The U.S. statistical system is a decentralized network of federal agencies that collect, publish, and analyze data about the nation's population, economy, and infrastructure. In fiscal year 2013, the Administration requested almost \$7 billion to support statistical activities conducted by the 13 primary federal statistical agencies and to support related work conducted in another 85 federal agencies "... that carry out statistical activities in conjunction with other program missions, such as providing services or enforcing regulations." Scientists use federal statistics to analyze the implications of our nation's changing socioeconomic and demographic characteristics and to develop accurate, objective, policyrelevant recommendations.

Sequestration is having an immediate and adverse affect on the ability of federal statistical agencies to meet current and future data needs. According to the Association of Public Data Users, sequestration—combined with the impact of recent budget cuts—has led to a number of statistical program reductions and eliminations, such as:

- Elimination of the Mass Layoff
 Statistics Program at the Bureau of
 Labor Statistics;
- Suspension of the Milk Production
 Reports from the National
 Agricultural Statistics Service;
- Delayed delivery of more than 1,600 Economic Census products at the Census Bureau;

Suspension of the Annual Energy Review and Energy Perspectives at the Energy Information Administration;

丛

Discontinuation of the RIMS II at the Bureau of Economic Analysis.

The stories featured in this chapter will provide a snapshot of the impact budget austerity is having on the nation's scientific enterprise, but represent exactly that, a snapshot. There are hundreds more stories like these, covering a cross section of basic, applied, and translational scientific research, programs that improve the quality of life of Americans.

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CUTS TO RESEARCH PREVENT YOUNG PEOPLE FROM PURSUING SCIENCE CAREERS

FEATURING: Michael Jackson, Vice President of Research, Central Washington University

CUTTING THE CAREER LIFE LINE

A college education and research experience as an undergraduate are essential for forming a solid foundation from which to launch a scientific career. Students with undergraduate research experience are more likely to pursue advanced science degrees than students without research experience. However, affording a college education has become increasingly difficult, and, as a result, twothirds of students now receive some form of federal financial aid.ii,iii Sequestration has cut financial aid, thereby reducing the opportunities of undergraduates to take part in scientific research and hindering their scientific careers.

An eyewitness to the effects of sequestration is Dr. Michael Jackson, professor of physics at Central Washington University. CWU is a four-year, public university located in rural Washington, which graduates about 2,500 students per year. CWU receives sizable grants for research from the National Science Foundation (NSF) and the National Institutes of Health (NIH), but sequestration prevents CWU students from engaging in research. Said Michael:

Sequestration has had or will have negative impacts on the next generation of researchers from CWU. Many CWU students were unsuccessful in securing summer research positions in 2013 due to a lack of funding. In fact, the research of one of the few students accepted into a summer research program was delayed because of the funding uncertainty caused by sequestration.

NO LUCK FOR MINORITY AND LOW-INCOME STUDENTS

NIH and NSF have made significant efforts recently to attract, recruit and retain minority scientists. However, sequestration of financial aid programs that target minorities and low-income students, such as TRIO and the College Assistance Migrant Program, reduces the likelihood that these students will take part in research. Michael explains:

These cuts impact the basic financial support students can obtain, which can be a deciding factor in their participation in undergraduate research. Without sufficient aid, low-income students often need to find part-time employment, which eliminates any time for extracurricular or elective curricular activities such as undergraduate research.

UNPREDICTABLE FUNDING DERAILS RESEARCH

Scientific research and education are multi-year commitments that often rely on federal funding. However, lurching from one manufactured federal budget crisis to the next make the continued funding for scientific research far from certain. Even brief lapses in funding can ruin long-term projects, make data sets unusable, and keep students from continuing scientific careers. As Michael explains, budget unpredictability is detrimental for education and scientific research:

In the student-funding world, it is often said that predictability is nearly as important as affordability. One cannot plan or know what to save or borrow in the uncertain world created by federal budget stalemates. This also adversely impacts research since someone may be less likely to launch research initiatives if continued support is uncertain.



It is disheartening to be at the start of what I hope will be a strong and successful scientific career and have to wonder if I will even get a job, be able to fund my research and have hope of being a competitive scientist.

- STUDENT FROM CALIFORNIA STATE UNIVERSITY, FULLERTON



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AUTHORS

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NIH CUTS IMPACT HEALTH, ECONOMY OF AMERICANS

FEATURING: Jian Liu, Ph.D., Professor of Chemical Biology and Medicinal Chemistry, University of North Carolina Chapel Hill, North Carolina

GLOBAL CROWN JEWEL OF BIOMEDICAL RESEARCH

The National Institutes of Health (NIH) is the nation's medical research agencymaking important medical discoveries that improve health and save lives. Composed of 27 Institutes and Centers, NIH provides leadership and financial support to researchers, including more than 130 Nobel Prize winners. NIH directs 83 percent of its nearly \$31 billion budget to 300,000 research personnel at more than 3,000 universities, medical schools, and other research institutions in every state and throughout the world. In addition, intramural research conducted on its own campus in Bethesda, Maryland—and a few other locations—is world renowned and has contributed to countless medical advances. The NIH Clinical Center is the largest hospital in the world totally dedicated to clinical research.

RESEARCH ENSURES SAFETY - AND GROWS ECONOMY -IN AMERICA

Heparin is one of the oldest drugs in clinical use today. Originally derived from tissues of pig intestines, heparin is used to today in surgical suites across the planet as an anticoagulant. Heparin is used to prevent or treat certain blood vessel, heart, and lung conditions. Heparin is also used to prevent blood clotting during open-heart surgery, bypass surgery, kidney dialysis, and blood transfusions. It is used in low doses to prevent the formation of blood clots in certain patients, especially those who must have certain types of surgery or who must remain in bed for a long time. Heparin may also be used to diagnose and treat a serious blood condition called

disseminated intravascular coagulation.

In 2008, a contaminated batch of heparin developed in China resulted in one of the largest drug recalls in recent history. The Food and Drug Administration attributed 81 deaths and 785 reports of serious injuries associated with the use of the contaminated drug, and tracked the source of contamination to a Chinese manufacturer who cut up to 60 percent of the drug in question with counterfeit materials in order to make drug production more cost effective for the manufacturer. Use of heparin was slowed, and confidence dropped as doctors worried about whether or not they could trust the next dose they prescribed.

Enter Jian Liu, Ph.D., a biochemist at the University of North Carolina at Chapel Hill. Jian and his research group have developed what they believe to be a major break through in the production of heparin. Thanks to \$4 million in grants from the NIH since 2006, Jian has developed a first-of-its-kind synthetic heparin, created chemically, and not from pigs as in the past. This breakthrough has the potential to end America's reliance on heparin manufactured outside of the United States, where standards and oversight may be lax. Said Jian:

We are very close to a breakthrough on heparin. I believe this version could be produced here and even stop imports from China. Considering the frequency with which heparin is used (300,000 doses daily), and its \$4 billion in annual worldwide sales, a domestically manufactured synthetic heparin would not only improve the safety of the drug, but strengthen the economy.

SEQUESTRATION IMPACT ON NIH

- **Z** Cut \$1.7 Billion
- Cut 1,300 research grants (700 competing grants)

Jian's grant was delayed as Congress delayed and ultimately allowed sequestration to happen. As a result, Jian was forced to slow the pace of his research and cancel plans to increase the number of researchers in his laboratory. Not only has Jian's research funding been cut, the availability of funding for his future grants remains very much in doubt. A proven innovator with ideas which may not only help save American lives, but strengthen the American economy, is currently anticipating the need to delay or cancel future plans.

It is getting more and more difficult for me to plan out into the future what my next steps in research will be. As funding gets more difficult, and less reliable, I feel the pressures to do more with less. I have seen colleagues take their research to other countries, greener pastures.



It is getting more and more difficult for me to plan out into the future what my next steps in research will be.

- DR. JIAN LIU



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AUTHORS

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HARMFUL ALGAL BLOOMS: CUTS TO RESEARCH AFFECT OUR NATIONAL WATERWAYS, HEALTH, AND ECONOMY

FEATURING: Dr. Donald Anderson, Director of the U.S. National Office: Harmful Algal Blooms, National Oceanic and Atmospheric Administration and Senior Scientist, Department of Biology, Woods Hole Oceanographic Institution

A THREAT TO OUR NATIONAL HEALTH AND ECONOMY

Preserving the health of our national waterways, lakes, and ocean areas is necessary for our nation's health and economic vitality. The commercial and recreational U.S. fishing industries supported more than 1.3 million jobs and generated more than \$130 billion in economic activity in 2009. However, harmful algal blooms (HAB), or red tides caused by a rapid population growth of algae can contaminate these waterways and release toxins that are lethal to fish, mammals, birds, and humans. Scientific research is necessary to understand and predict HABs to protect these watery habitats.

Budget cuts have severely hindered scientists' efforts to track and predict HABs. Since 2010, the budget of the National Ocean Service at the National Oceanic and Atmospheric Administration (NOAA), which is tasked with funding research into HABs, has been cut by 40 percent. Dr. Donald Anderson, director of the U.S. National Office: Harmful Algal Blooms at NOAA has seen firsthand how HABs affect our national health and food supply. Says Donald:

In 2011, an HAB in Lake Erie covered a record 2,000 square miles, and the algae responsible produced liver and nerve toxins that could sicken and kill exposed people, pets, and wildlife. In 2013, severe and persistent HABs in Florida killed 241 endangered manatees and resulted in respiratory distress for residents and tourists. Others became ill after eating toxic shellfish from bloom areas.

HABs can occur in nearly any body of water, on either coast and in salt and fresh water. Furthermore, HABs cause more than \$80 million in economic losses

every year and threaten economically valuable fisheries that are crucial for the American food supply. Thus, research into predicting and preventing HABs will yield economic benefits for coastal states and health benefits for communities across the country that depend on these waterways for food. Donald explains that such research has already proved beneficial:

Development of HAB and hypoxia sensors that accurately and quickly detect algal species, biotoxins, and low oxygen levels have provided early warning of outbreaks. These forecasts have allowed managers to make informed decisions to better protect human and ecosystem health and reduce economic impacts. For example, monitoring systems allowed fisheries on Georges Bank to reopen after HABs caused the area to close for over two decades. This reopening alone is anticipated to generate \$30 million annually.

SEQUESTRATION PUTS COASTAL AREAS AT RISK

Should sequestration and budget cuts continue to reduce the research capabilities of the National Ocean Service, exciting advances in the prediction and detection of HABs would be put on hold. Donald explains:

National HAB research over the past 15 years has resulted in a powerful example of productive collaboration among federal, private, and industry sectors. Unfortunately, recent reductions in support of HAB research and forecasting are occurring during the critical research-to-operations stage. This significantly reduces

the return on investment and jeopardizes the economic and human health benefits at a time when the frequency and intensity of HABs are increasing.

Budget cuts threaten not only research into how and when HABs occur, but also in preserving the health of some of our nation's busiest and economically important water areas. According to Donald:

The health of our coastal cities are at risk, specifically, forecasting toxin risks in the Gulf of Maine and Lake Erie, monitoring algal reduction in the Gulf of Mexico and Lake Erie, and similar essential activities in the Chesapeake Bay and other great waters.

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DATA CUTS IMPEDE SOUND BUSINESS DECISION MAKING

FEATURING: Patrick Jankowski, Vice President for Research, Greater Houston Partnership, Texas

COMPANY'S RELOCATION TOOL

On July 9, the Bureau of Economic Analysis (BEA) released a typically dry-sounding statement: "The impact of sequestration and reduced FY 2013 funding levels...necessitate that the Bureau's RIMS II program be discontinued."

Yet the seemingly unremarkable announcement sent shockwaves through economic development communities, which rely on the program to determine the impact of a business coming to or leaving a region—and the ripple effects of that move. Explains Patrick Jankowski, Vice President for Research at the Greater Houston Partnership:

The RIMS multipliers are key to understanding the impact a company will have on Houston should it decide to relocate here. It is the first tool we use when trying to determine the value of a corporation or company coming to or, for that matter, leaving Houston.

Patrick and his staff used RIMS data to assess how the potential construction of a 50-floor office building by Chevron, which would have created 1,750 jobs in the region, would have induced job growth throughout the Houston region. Likewise, he used RIMS data to analyze how the loss of a large corporation's Houston-based headquarters was going to affect the area.

The Bureau updates the data continually, yet they operate about two or three years behind—that is, the 2010 data are currently available for purchase. Patrick had planned to purchase the 2011 data as soon as the Bureau released it in 2013—the release that will no longer occur.

ACCURACY MATTERS IN EVALUATING INDUSTRIES AND JOBS

The 2010 RIMS data reflect the state of Houston's economy during the recession. However, in 2011 and 2012 Houston experienced significant growth. Patrick was eager to purchase the 2011 data so he could accurately report to policymakers and the local business community how the creation of new jobs in those years has affected the larger Houston economy. He also needs the 2011 numbers in order to have updated figures that more closely resemble the region's current economic status.

Without 2011 RIMS data, Patrick said he "cannot accurately evaluate the relationship between industries and jobs," continuing:

Without regularly updated RIMS multipliers we'll be asking our business community and elected officials to base their decisions on how Houston performed during the recession, not how it performs in the current robust environment.

SHIFTING THE BURDEN

Patrick knows of private companies that could potentially provide him with data similar to RIMS; however, they will charge him as much as ten times more than the BEA. Moreover, the RIMS II data are more comprehensive, objective and comparable and are accepted as the industry standard in the economic development sector.

By eliminating RIMS, Patrick says the government is "shifting the burden to the economic development community." He and his staff will have to do original analysis that, again, won't have the same degree of credibility or provide the "big picture" that the RIMS data does.

At a time when many companies seek to relocate to the United States, data are critical in helping state and local governments and companies make sound business decisions - thus benefitting the entire national economy. If Patrick could say one thing to policymakers in Washington right now about the implications of the budget cuts on statistical agencies, in particular, he would say:

They are cutting off their noses to spite their faces. These cuts are affecting data collection, making government more inefficient and that is something nobody wants: "

Without RIMS, we will have to reinvent the wheel.

- PATRICK JANKOWSKI

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